WIN WIN CAPITALISM

HOW SOCIAL ACQUISITIONS WILL CHANGE THE FACE OF BUSINESS

Just Like Family Collaborative

JUST LIKE FAMILY COLLABORATIVE

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How Social Acquisitions Will Change the Face of Business

First edition

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Thank you to the entire Just Like Family Home Care team who is committed to making a difference in the lives of families and their loved ones every single day. You inspire us!

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Rides at the intersection of technology, creativity and social purpose. Grateful to have the opportunity to disrupt the dominant economic culture.

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I love using my skills to help others shine in the spotlight. I'm all about family who are my support, my motivation, and my world.

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Removing socially constructed barriers to empower and motivate others.
I'm deeply thankful for the years I had with my mother and the continued support and inspiration from my father and brother.

Sara Bowder
Making a difference in the world each and every day. Grateful to be surrounded by incredible people in my family, friends, colleagues, and community.
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Prologue: We are the best! A non-ego approach to business

We've all been taught that in business, there's no such thing as a win-win situation. But our team is challenging that idea. We believe that things can – and should! – change. We've found that win-win works. We've planted seeds of transformation and hope.

We are the staff, investors, board and leadership of Just Like Family Home Care. We are a for-profit business that is over 50% owned by charities. We are revolutionising home care for our clients. We are also changing how the business world and charities look at how business can be done differently.

This is our story...

In 2019, the idea started with eight people in a basement who decided to investigate what it would look like to operate and own a social enterprise. They looked at all the different business opportunities that were out there and decided that caring for seniors was a great fit. They decided to investigate home care, and as no one in the room had experience, they decided to investigate a franchise.

After researching the feasibility of the project, the charity bought the Victoria franchise. Six months later they were offered the Nanaimo territory; they bought this as well. They grew their business from $0 to over $1M in revenue in just two years of operations. All owned by a charity. All putting people before profit.

Home care is when caregivers go into someone's home to support them with any needs they might have, from housekeeping to meal preparation to getting out of bed to showering. It is a person-centred business – one for which a charity is ideally positioned.

The founder of the franchise network decided to sell the national brand, Just Like Family Home Care. He had built the brand from a single Vancouver location to one that reached from British Columbia to Ontario. With the charity having grown the business so quickly in Victoria and demonstrating great business practices, the founder approached the charity to see if they would buy the entire network.

As a single, local charity, the task to fundraise money to buy a national brand seemed insurmountable. So they reached out for support and found two other charities and nine individual impact investors to solidify the purchase. In May 2022, this became the first social acquisition by a coalition of charities in Canada. This is where we came in—the Just Like Family coalition.

Just Like Family Home Care has continued to grow over its first twelve months of new ownership. It has grown from twenty-seven locations to thirty-six locations, with an increase in the diversity of owners across the network.

Insurmountable challenges

After all of what had transpired in eighteen months, our leadership asked the team what the biggest challenge was. They all said in so many ways, "the narrative and mindset." Seems like we as a society are still getting in our own way. People are so unused to the win-win approach that it is easy to mistrust it or to question if it is real. Our modern world has trained us to be win-lose...but we are proving there is another way.

The missing link to creating the world that we want to live in is examples of what it could look like. Win-win works. We are demonstrating that every day at Just Like Family Home Care and we are hoping that this story will inspire others to think differently about business and what they are investing in.

> *"How do you become an agent of change if you ask permission to make the changes needed? Stop asking permission to change the world and stop making people ask you permission to change the world. Your teams need you to be a leader, even if your position might psychologically or*

socially make you feel like you are at the bottom of the hierarchy. There's no harm in trying."

—Alana, Operations Manager

This is the tip of the iceberg. Thinking HUGE meant that even if we achieved half of what we set out to do, we would be headed in a great direction.

Building a movement, not a business

A few months ago, a social innovation expert in Canada told us that we had already reached "success" and that it was time to tell our story. So we started writing! An important part of change is telling stories.

So in this spirit, we begin to tell the story of our journey that is not complete. This is the tip of the iceberg. We're just getting started. And yes, it is already awesome!

"For me this is the new way of doing business that will be taught in universities. This will just be as normal as adding two plus two, when people start businesses that they're looking out for the best possible outcome for everybody. And that it is a more collaborative environment rather than a top-down environment. I love that. We don't have this disparity between our lowest paid employee and highest paid employee. Not just from a point of remuneration, but from a point of respect and impact and feeling like they make a difference. Every time they come to work and be part of something big. Every individual is seen. And being seen as something bigger than themselves. It's making a difference on a cellular level in every individual that goes out to a global process."

—Sarah, COO

* * *

> *Note: Language in business (and most professions) is just another way to create fear. Therefore we have added footnotes for any complicated business language and made it approachable.*[1]

I

The first hurdle

1

And so it began.

Could a charity buy a home care franchise legally? How could this work? Was this even a thing?

Broad View United Church, a charitable entity, approached the innovation arm of The United Church of Canada (EDGE) with an idea in 2019. What would it look like to buy a franchise? Seed funding was found for the legal work to structure a for-profit organization that is arm's length from a charity and would be governed without direction and control by the charity.

> *"So, the very very beginning...how we started in Victoria. We had about eight people on the committee, and we knew we wanted to run a social enterprise that was aligned with the value of the local church.*
>
> *We looked at a number of different options where we could make a difference socially and environmentally; what were some of the issues out there that we could solve? We looked at everything from tech to recycling to environmental stuff, and we decided that home care and the aging population was something that was really important. We decided that we wanted to look at a home care business. We had options at that point as to whether we were going to look at starting our own or joining a franchise model.*
>
> *When it came to having started a few companies of my own, I realized that it's a long time before you can actually get to home care. When you*

> *do it on your own, you must come up with your own logo and website and there's a lot of cost and time that goes into it that isn't home care. You're working generally for at least a year before you're in the business that you want to get into. The franchise model allowed us to get to making a difference for people sooner. The capital requirements were relatively low. And it came with all the things that we were not experts [in]—the website, the logo, the branding, and the sales brochures. We had a great base to start so we could just get to market quickly and get in front of people where we knew we could make a difference.*
>
> *We chose Just Like Family Home Care because they were Canadian, they were local in British Columbia, and they were really relationship-based. They focused on that relationship that we felt had been missing so much in home care. It goes to numbers, it goes to convenience, it goes to all these other things in the traditional business, and we wanted to do things differently. We wanted to approach this matchmaking idea, where you had a caregiver aligned with the client with similar interests, or similar languages and similar skills. Not only could they look after each other and have the skills required to look after each other, but they could enjoy their time together. It would move from surviving to thriving."*
>
> *—Sarah, COO*

By January of 2020, Broad View United Church had officially launched a franchise with Just Like Family Home Care in Victoria, BC. In addition, we had negotiated a *RoFR* for Nanaimo, BC.[2] How did we know to do this? The entrepreneurs who had planned this work were savvy businesspeople who knew what to ask for, even if they didn't understand home care.

We received a *line of credit*[3] to scale the business and in the summer of 2020, we had to *execute the ROFR*.[4] This additional amount was done through a zero-interest loan.

At the core of this venture was visionary leadership who saw this approach as a gamechanger and an experiment for which they were willing to stick out their necks. There was an understanding that we couldn't just use a non-profit and charitable mindset for all our work; instead, we acknowledged the value of the use of capitalist tools and business savviness for charitable intent. We also understood the importance of utilizing people's gifts and leadership.

Finding the right leader of this social innovation was the most important step. Sarah was a serial entrepreneur with a huge heart who led the business over the first two-and-a-half years. We experienced phenomenal growth under her leadership by leveraging social capital in the community to become the fastest-growing franchise in the network and one of the top three performing locations in less than two years.

Although it felt quick and unexpected when the opportunity to purchase the national brand came knocking, it was really all laid out and part of the plan. Still, it was not enough time for people to think that this was possible. Wasn't buying a franchise as a charity enough? Nope!

In December 2021, the idea to purchase Just Like Family Home Care National, the *franchisor*,[5] was presented to Sarah. At the time she was running the Victoria and Nanaimo franchises. The first call was to Carla at The United Church of Canada to see if this was even in the realm of possibility. This was the first call that created us – the Just Like Family Coalition.

We were so excited that this opportunity that had been on the horizon and all of the hard work and conversations with charities about this model was coming to fruition.

Then we stalled.

Fear is a funny thing. It shows up in so many ways. It can show up:

- as bravado when we tell people all about our big plans that we are too scared to move forward with.
- as bragging about things that we have achieved, because resting on our laurels is easier than exposing ourselves to more risk.
- once you've decided to do something but you don't know the next step to take.
- when you have committed to something and then allow your fear to second guess.
- as excuses to procrastinate.

We had a lot of excuses. The holiday season was about to begin. We had questions about who was in charge and who was part of the team. Fear showed up when the holidays came around and everyone needed a break. Fear showed up in questions of whether we should do this thing. It showed up in other priorities we had to prepare for the year to come. It showed up in many discussions about if we were going to be able to structure this in a way that works for everyone. All the stalling, excuses, and fear almost stopped the experiment before it even started.

In the end, it took us over a month to get the *LOI*[6] signed.

The team that was trying to put this together consisted of Rob, the founder of EDGE; Carla, the chief innovator at EDGE who also happened to be a business coach; two fearless ministerial leaders of Broad View United Church who had already taken the first leap of faith in buying the franchise; and the visionary leader Sarah who had already proven out the home care charity-owned business model. They made a pretty formidable team. Still, these are the people who took over a month to sign the LOI.

> *"If you have fear, I think it's going to be easy to doubt every chapter in this book. Fear has been the biggest roadblock that I have seen for people.*
>
> *The worst part about it is that when you ask people what their fear is, they go, 'I don't have any.' Yet everything they do or don't do has sprinkles of fear in it. Could be fear of failure, fear of believing in something that's unconventional but can be a successful path forward, fear of partnering with the wrong people, fear of not being perfect, fear of disappointment, or fear of upsetting the apple cart.*
>
> *The key thing [is to] name your fear and be vulnerable. It's okay to have fear. It's not okay to hide the fear from your team. It's not okay to let fear determine your worth or value-add, and it's not okay to let fear prevent you from being creative with solutions or giving up on yourself before you have even tried.*
>
> *Fear is not an excuse to not upset the apple cart, in fact when we upset the apple cart we often evoke the change required to make our*

> *business more functional. I want to stress here that it's not by challenging everyone in your path but channeling the 'why' in situations when the norm no longer makes sense."*
> *—Alana, Operations Manager*

Fear is something that we think you should be tracking throughout this journey. It can be healthy, and it can be harmful. And the important part is understanding which you are dealing with. In the end, the leadership team was committed to doing things differently. They realized that if they expected or hoped to see the world change, they were going to have to do something about it.

Once the decision to act was complete, that's when stalling was over! The clock started ticking on January 21st, 2022 when the LOI was signed. Now this idea was a real thing, and the hard part was about to begin.

2

An unlikely catalyst.

The United Church of Canada has a history of being radical and trailblazing. In 2011 the denomination was brave enough to create an innovation arm to test its own understanding of what church would be in the future.[7] This new arm was called EDGE and was created as an arm's length entity that was empowered to experiment and work directly with churches (renamed "communities of faith") to think about "church outside of Sunday."

> *"Within the church there are those who are resistant to change. I have been told, 'This is the way we have always done things, and we will continue on this way until the last of us is dead, and the church has closed.'*
>
> *The stages of change management include shock, anger, acceptance, and commitment. Those who languish in shock and anger tend to be unwilling to even consider having a conversation about doing things differently. Rather than contemplating how they might change themselves, the focus is [on] what they could do to entice or persuade others to join them, particularly when it comes to Sunday worship. The tendency for some is to think about bums in seats, rather than focusing on the difference they could make out in the wider community beyond the church doors. [But] church is so much more than Sunday worship.*
>
> *Then there are those that accept that society has changed, and they*

> *must too. Rather than thinking about what* others *must do, they reflect upon what* they *must do instead. How can we take care of others? What can we do that will leave a lasting impact on the lives of people outside our church into the wider community? What if we considered this new thing? What if we did something we have never thought of as church before, but will make a huge impact in the lives of others? Who can we work with on this? Where do we go from here? What must we keep, and what do we need to be willing to let go of?* Is this church?
>
> *Just accepting that there may be a different way to do church is a monumental shift in thinking for some, much less making a commitment to act upon any shift in that thinking. Not everyone has the willingness to try out new ways of thinking and doing, but for those who dare to dream? Possibilities are endless."*
>
> *—Lori, Partnerships*

Innovation was focused on the understanding that society already has the ideas to move forward, it just needs a way to network those ideas. One of the first things done was to reach out to all of the communities of faith and get their ideas and feedback on what was needed and what needed to be explored. This created two benefits: first, trust was beginning to form across the network as relationships and communication were being fostered; and second, the best ideas from grassroot organizations were being harnessed and responded to from a national perspective.

EDGE was responsible through these relationships for building out a coaching practice, a central procurement savings program, and an exciting social purpose real estate initiative. Part of the job of EDGE was to create an ecosystem that promotes innovation, and to support that innovative growth along a continuum from ideation to sustainability to scaling.

> *Example:* Kindred Works is a for-profit development corporation owned by The United Church of Canada to support communities of faith in redeveloping their land to create community space and rental

> housing across the country in community.[8]

Ideation & grassroots innovation

Pitch competitions for social enterprises started in 2015. Most attendees were new to the concept of pitch competitions. The events provided very small amounts of seed funding plus mentoring to help test early-stage ideas. At their core, these competitions were about the network of people in the room that were there to support each other. Excellent partnerships grew from this, and people thought differently about their businesses throughout the day.

> *Example*: Raw Carrot Soup Enterprise was the first winner of the Social Innovation Challenge. This company hires individuals with disabilities to cook nutritious and delicious soups. They landed seed funding to get their concept off the ground, built a website, and ended up expanding to four social franchise locations, all of which are based out of commercial kitchens inside churches.[9]

From 2016 to 2021, this fund supported over 700 social innovations across Canada. But grants weren't enough in the social finance continuum.

Growing & scaling an organization

A huge gap for social innovations was the financing required to grow and get to a scalable position. This is not something that happens overnight, and it is even more complex to operate a social enterprise than a standard corporation. More unique ways of financing are required.

The existing financing tools included:

- **Grants**: These are often for specific projects or initiatives. Grants for ongoing funding were once common, but the granting landscape is moving away from this. That means that nonprofits and charities have to learn more about the other social finance tools and start social enterprises. Grants typically can pay for three years of funding but don't go beyond that amount.

- **Impact Loans:** The primary impact investment tool in Canada in 2020 was still a loan.[10] Most community foundations and charitable organizations that dabble in impact investing look at loans as safer and more secured. However, it creates a burden on the loan recipient and a sense of "us versus them," rather than a relational approach. Also, loans typically must be secured, which really means that the impact investor is not taking on risk at all. One of the reasons why debt is the choice of impact investors is that there are nominal returns. Simply said, the returns are not considered to be high enough in the marketplace for social enterprises to justify the need for equity. Or so we thought.

A different type of financing was going to be needed. How do you go from three years of grant funding to being able to repay a loan with interest? There are two good options:

- **Pay It Forward Loan:** A zero interest loan with a patient lender approach that would reduce risk for a nonprofit or charity to attempt something new and grow it. Most organizations with zero interest loans have seen a high repayment rate.
- **Equity:** It became clear that equity impact investments would be required for true scale and growth. Impact investments are growing at a tremendous rate and are now including equity stakes.[11]

"Noticing many such ventures being initiated by United Church social entrepreneurs, we developed a loan/grant/consultation support network for these adventurers. For our pitch competitions, non-faith-based organizations partnered and invited their own entrepreneurs. It became apparent that something larger was at work. Some questioned the coming together of church and business, but the conversation revealed

the colonising roots of the charitable model in sustaining inequitable social strata.

Many of these ventures stumbled on finding and implementing a viable business model. When we first received the application for a United Church to purchase a franchise, it seemed like a natural progression: amazing missional alignment made sustainable through a tested business model. The collaborative advantage of spiritual leadership with a whole faith community behind the venture seemed like a win-win for sure. Their success proved this right beyond our wildest expectations. Exciting? For me, all of this prepared the way for the mind-blowing opening."

—Rob, EDGE

3

What's in a social acquisition?

Social acquisitions can and will change the face of business. It is just a matter of when: in our lifetime or the next? It can happen soon if a small group of people decide to do great things. A social acquisition is difficult but not impossible, and we are proving that. In fact, small groups of people have been doing the impossible since the beginning of time. Now it is our turn.

This could be you. This could be now. This is how it is done.

Step One: The LOI

The LOI process is straightforward. Don't allow this part to hold you back.

An LOI is your formal intention to proceed on investigating a business deal. It is a mutual understanding between the buyer and the seller that you are going to begin sharing information and formally going down the path of a future deal. LOIs can be for anything, including a potential *merger*[12] or *acquisition.*[13] But they can also be for *strategic partnerships,*[14] *joint ventures*,[15] or any business agreement that requires due diligence in advance of moving forward.

Typically, an LOI includes general terms of what is being investigated, a confidentiality clause, and the time period in which the investigation will occur. There is usually something about costs and who incurs them if things don't progress, and some of them have a proposed next step if things do progress.

Here is what we wish we had known when we began the LOI process:

- **Lesson #1:** We didn't have a freeze on any major changes in the business during the due diligence period. It is never a good idea to leave this loophole open.
- **Lesson #2:** Sixty days for the purchase of a business to transpire was a ridiculous deadline. Often it takes six months for this type of transaction. In fact, financing alone (if you decide to take on any debt) would take a minimum of ninety days with a track record and *balance sheet*[16] to support the debt. Remember, we didn't even have a company set up yet to buy this thing.

Despite these mistakes, the moral of the story is to sign the LOI and get moving.

Step Two: Due diligence

No one is going to invest in something that they don't understand. Nor will they invest if they think that the people presenting it to them have not done the extra work to vet the opportunity. Our challenge was that our team had an excellent track record of starting things—remember, we were a bunch of innovators and serial entrepreneurs—but we didn't have the experience of being buyers. The good news about being starters is that we had confidence in ourselves that we could become buyers.

However, *due diligence*[17] is necessary when doing any business deal. This is even more true with charities and institutions as your investors. Boards that run charities and institutions are much more risk-averse than an individual investor might be. That process would have taken time that we didn't have.

We reached out to an impact investment consultant who had supported multiple community foundations in selecting and investing in some of their deals. He was reputable and had a finance background. In addition, his credibility with the community foundations and charities throughout Canada could potentially reduce barriers or perceived risks potential investors might have.

The saving grace for our due diligence was the uniqueness of the situation. Typically, due diligence needs to be a hypervigilant process as it is an external party that is buying the business. But in our case, we had been two of the franchisees for two years. Our leadership team knew the other franchise partners, knew the vendor and his team, and had firsthand experience running the business model successfully.

Without this insider information, we most likely would never have gotten this over the finish line. It would simply have been too risky for any of the investors to consider with such limited information and minimal further capabilities for due diligence.

Step Three: Business planning & pitching

Upon signing the LOI we immediately started business planning. We didn't have any time to spare.

Unlike individual investors who might ask for specific financial ratios and due diligence, charities are completely different. Recognizing the internal decision-making structures of charities, their boards, and management, we knew that we had to move quickly to set up our preliminary presentations and get information into the decision makers' hands.

We had a single week to prepare for pitches to critical investors. Without most of our committed dollars, it was going to be impossible to get over the finish line. This is how fundraising for a charity works. Most charitable goals are halfway met prior to a large public campaign or a gala based on large contributions from their most generous donors. *Fundraising*[18] to purchase a business is similar. People want to be part of something that seems like it will be successful. They want to invest in something that other people have already confirmed is a good idea.

So how did we prepare? We drafted *financial proformas,*[19] *NDAs,*[20] and *pitch decks.*[21] We created a *sensitivity analysis,*[22] an *NPV*[23] to support valuation, and a full business plan. We created a list of over 100 investors. We reached out to every one of them within the first week by email and phone. Of those, we had ten people sign an NDA to receive the materials and seven who requested presentations.

It wasn't enough. So, we went back to the list and reached out to more people.

Every time we felt like we might not get over the finish line, we called and emailed ten more people.

In the end we reached out to 187 potential charitable investors. And we literally spoke to everyone we knew about what we were doing.

Step Four: Financing

In all businesses there is a balance between equity and debt.

Equity is invested cash that is paying for *shares*[24] and ownership of a *corporation.*[25] If an individual was to create a corporation, they might issue one share that is owned by the individual in order for them to own the entire company. When you have more than a single owner or investor in a corporation, you need to issue more shares and divide these shares amongst the owners based on the ownership structure. People are more familiar with buying stocks (which is another name for shares) in large companies through the stock exchange or part of a mutual fund that they or their financial planner has selected.

For our social acquisition, we needed to have charities and impact investors become *direct equity investors.*[26] They would have to own the shares in the corporation directly without going through the stock market. To protect people from scams and crooks, most governments worldwide require someone to be an experienced investor in order to do direct equity investment in something that is arm's length. This type of investor is called an *accredited investor.*[27]

For someone to own shares in this social acquisition, they *all* had to be accredited. That meant that we could only offer shares to charities with more than $150,000 of investments, individuals with more than $1M in assets, or individuals who knew the directors of the company firsthand. When we had this commitment, everyone would have to sign an additional release that they fully understood what they were getting themselves into and that this was a highly risky investment—not super encouraging.

In addition to obtaining equity, we also had to take on debt. *Debt* is a loan. This is used in finance so that people that invest equity into a business own a larger percentage of the business than they would otherwise. For instance, let's say you wanted to buy a $1M business and you bought it all with equity. If your profit was $250,000, then the return on your investment would be twenty-five percent. Let's say that instead of buying it with $1M of equity, you used debt to finance half of the purchase, so $500,000 is equity and $500,000 is debt. The same profit of $250,000 would give you a fifty percent return on your equity instead of the twenty-five percent return. By using debt, you can get a higher return on your equity, which is called leveraging debt.

So why is debt appealing to impact investors? Debt is paid back first, prior to any dividends being paid to shareholders. Lenders have a guaranteed return at whatever the interest rate is, but they *don't* get to participate in the *upside*[28] if the business does well.

A common way for a business to acquire debt is through a *financial institution*.[29] However, it can take ninety to 120 days to complete the financial institution's paperwork and be approved via the credit department. Typically, these institutions require that the loan is personally guaranteed or has some other sort of *collateral.*[30]

Getting financing as a charitably-owned business with impact investors meant that there wasn't a single individual who was willing to offer a personal guarantee for the debt we were taking on. People only offer a personal guarantee on debt if they are participating in the upside of a project. And we were structuring this so that the charities were getting the lion's share of the upside. So, we had to also be reliant on the charities putting out a guarantee.

However, this led to another problem (of course). Financial institutions won't accept a charity's guarantee, as a guarantee is only good if the lender is willing to collect on it. No financial institution wants to be the one to shut down a charity by collecting on a guarantee. In essence, a charity's guarantee on debt becomes useless. So, we weren't able to get financing through traditional methods. Without financing, we wouldn't be able to create a model where the charities were the primary owners, which would forfeit the point of this experiment.

> *Example:* A women's shelter wishes to use their property as security to get a loan. A financial institution would look at the security of the property and say that they could give a loan. The problem is that the financial institution is never going to take the physical building (which houses the women's shelter) back from the charity. The press, the outrage, the negative impact on the women and their children – it just isn't worth the headache for a financial institution driven by profits! So the security of the women's shelter is considered worthless. And the women's shelter is not approved for a loan.

This thinking has ripple effects for nonprofits and charities worldwide.

This conundrum left us with private lenders as the only option to get this project over the finish line within the timeframe available to us. This was going to make or break the deal and we didn't have much time.

Step Five: Structuring

Spoiler alert. We ended up figuring out the financing and raised enough equity to proceed with the business deal (we'll explain how in the next chapter).

Unsurprisingly, structuring has quite a few pieces that need to be patched together. This was one of those areas that we had many conversations and even disagreements about.

The first discussion involves how the equity is going to be structured. With all the work that had been accomplished to get us to where we were—two franchise locations had been run in such a way that the national opportunity presented itself—founders' shares were issued. Founders' shares acknowledge the work that was done prior to acquiring or incorporating a business, and have a lower purchasing cost based on this previous work. After purchase of these shares at a founders' share rate, these shares were deemed common shares. The remaining investors were awarded *common shares*[31] with equal voting rights. Often there are multiple *classes of shares*[32] including *preferred shares,*[33] but we decided to keep it simple.

Next it is time to incorporate. Only once the shares are delineated and agreed upon can you incorporate, as the information regarding the number of shares and type of shares is required in your incorporation documentation and your Central Securities Registry. This is when you declare who owns which shares and support that all investors are accredited and you have stayed on the right side of the legal line.

With the incorporation in place, we now had a legal entity that we could issue legal agreements with. This is when our lawyer had to get to work. With our private lenders in place, we executed *promissory notes*[34] based on the *business terms*[35] that were previously agreed upon.

To each of our accredited investors we provided a *shareholder agreement*[36] and a *subscription agreement,*[37] and they needed to sign off on how and why they were an accredited investor. With all this paperwork in place, we could finally collect the money so that we could close the deal.

Instead of this money simply going into the corporation's bank account, we used our lawyer's *trust account*[38] to transfer the funds and hold them in trust for the transaction to happen. This ensured that we had the funds available and we couldn't release them until the paperwork was finalized. Trust accounts are designed to transfer these larger amounts.

With the structuring complete and the funds collected, we were ready to close the deal.

Step Six: Closing the deal

Like everything else in a social acquisition, closing doesn't just happen. There are stages and components of this process.

Basically, this process takes sixty to ninety days. Think about buying a house. We had signed the LOI for sixty days, but to no one's surprise we had to extend this for another thirty days. Extensions are normal. However, you are at risk of losing the deal if you don't meet these deadlines. The key is keeping the communication open and building trust.

By the end of the LOI terms, you should have finalized what the next steps are in the purchase, which includes the purchase agreement. This can be either a *share purchase agreement*[39] or an *asset sale agreement.*[40]

Once you are both clear on the terms, the price and payment of the transaction, and you are comfortable with everything learned through due diligence, then you waive your conditions. Conditions can include financing, due diligence, and really anything else that you are concerned about that could be a valid reason for the share purchase agreement to be invalidated.

Other agreements that are prepared for the close are the *transitions agreement,*[41] the *non-compete,*[42] and any *releases.*[43]

Most vendors get panicky during the final stages of closing a deal (really everyone is on edge). The more conditions that you can waive, the better that the vendor is feeling, but this also makes you feel more vulnerable. In our case, the vendor had two potential buyers that fell through for various reasons. So, the vendor was even more sensitive to the conditions, specifically financing.

Once conditions are waived, you are stuck with the deal. So, you better be darn sure that you have your ducks in a row. At this point there could be some serious legal repercussions.

Based on this, we ended up collecting both the debt and equity in advance in the lawyer's trust account. The day came, the documents were all signed, and we closed on the deal.

We were the proud owners of Just Like Family Home Care. And we all had a toast.

> *"Operating a social impact venture like Just Like Family is difficult but extremely rewarding. There are many things to consider beyond the bottom line and the goal is to maximize or optimize stakeholder value, which are not just shareholders, but much broader [people] like employees, patients, the community and beyond. It's a much more difficult task to operate a social impact firm given these various dynamics; however, having robust operations combined with an intentional strategic plan can create long lasting positive externalities making true and effective change in society.*
>
> *This ethos of Just Like Family permeates beyond just running and operating a business, but is also core to how Just Like Family looks and*

values strategic financial partnerships, a key pillar in value creation. There are countless examples of meeting with bankers, financiers and strategic partners who claim to be supportive of a social impact firm but gravitate towards a singular view based on financial models focused on revenue, bottom line, and credit worthiness. In many cases, these companies value the financial return over the holistic combined economic and social return that an organization like Just Like Family would provide. These organizations fall short of understanding the value proposition of Just Like Family and it may be multifactorial—they may be set in their traditional ways of thinking, don't have the right resources to support a different view or approach, lack clarity around the social impact value, or a whole host of other reasons.

What is apparent, however, is that the byproduct of these discussions results in a further refinement and edification of Just Like Family's priorities and values. It further crystallises what is important to the organization as it self-selects out partners that are not aligned and highlights Just Like Family as a unique firm that is leading the way in a new investment class category. Furthermore, through these strategic partnership discussions, Just Like Family in many ways acts as a missionary—not only spreading the 'good word' of Just Like Family and its value proposition, but also paving the way as a leader in changing other organizations' approaches, views and perspectives on social impact companies."

—Jeff, CFO

4

The usual suspects are not usual at all!

We reached out to 187 charities. We heard "no" 184 times. But we persevered, and finally, we got three important "yeses."

In the interest of supporting others that might wish to do this themselves, we hope to highlight some of the blockages and sabotages we encountered. We learned a lot! Here is our best advice.

Go with the energy

From the get-go, a large majority of charities and individuals had no idea what we were talking about. In general, they thought that we were bonkers. They smiled, honoured our relationship, and sent us on our way. They were never going to invest. Move on quickly, do not pass go, do not collect any dollars, and move on to the next potential investor.

Don't take this personally. If someone doesn't "get it" in the first few minutes or have any follow-up questions, they are probably not going to invest in the timeframe that you need. In business, there is an adoption rate theory which states that only a certain percentage of the population are innovators or early adopters. You aren't going to win them all, and you just shouldn't try.

The sabotage here is that just because they don't get it, that doesn't make them bad people. They simply don't have the experience, insight, perspective, or openness to risk that you have. But they want to support you by appearing interested even though they know that their organization will never invest. The best thing that you can do is get them to admit that and say ‘no’ as early on as possible.

Don’t slow down for (almost) anything

One of the easiest ways for charities to bow out was by indicating that the timelines were simply too fast. And really, they were. We needed commitment and money in less than 100 days from when a charity first heard about the concept. In normal change management for an institution, it takes seven years to change a corporate culture and we were pitching an idea that was outside of everyone’s comfort zone.

If they are slow now, they will always be slow. If you are acquiring a smaller entity, you will need to be moving at the speed of business and not at the speed of charities. This slower pace will severely negatively impact your business in the long run.

There is no downside to keeping them in the loop and letting them know how things are going in case there is a second capital raise or another investment opportunity. It will just encourage them to be faster next time!

If you aren’t speaking with the investment committee, you are speaking to the wrong people

Other than timeframes, the second most common ‘no’ we heard from initially interested parties was that it wasn’t strategically aligned.

Charities that have sufficient funds to invest probably have an investment committee. The challenge is that the investment committee is focused on investment policies, and typically has not been presented with a direct equity investment. A charity will confuse the opportunity to be an accredited investor in a direct equity investment with their traditional programmatic requests. For instance, if a charity had a program for seniors, they could readily contrast a home care business investment opportunity with their seniors program.

The challenge is that these comparisons are apples-to-oranges. The apples-to-apples comparison is a home care direct investment to the return on a bond or a corporate stock. Most charities are still primarily invested in funds as they have a *fiduciary duty*[44] to the charity to preserve their funds, so they decide to allocate their reserves to some of the most conversative (and lowest returns) investments.

You can see if they are comparing an investment opportunity to a program, their retort will always be that it isn't strategic. However, when comparing an impact investment opportunity to a corporate stock, you will win over strategic alignment every time (not to mention values alignment).

One of the most interesting sabotage moves was a charity that invented a new investment process on the fly. Instead of taking the investment opportunity to their investment committee, they asked an individual to become a proxy of the management to determine if the investment was a good opportunity. Unfortunately, the proxy had zero start-up or financial experience. With this being their first time that they were given the responsibility to evaluate an investment, they were set up to say 'no' from the start.

Unusual charities

We used two types of impact investors: charities and individuals.

Charities are great. They are automatically accredited investors based on their charitable status and very limited investment assets. This is an interesting attribute of charities that make them ideal direct equity investors – they are legally allowed to do it! Obviously, they have their downsides in terms of ability to move quickly, decision-making processes, and risk-averseness. From our perspective this was all outweighed by relationships and leaning into putting people first.

For the charities interested in investing, we had some advantages:

- Our leadership team had relationships with literally hundreds of charities.
- We had at least a ten-year relationship and in some cases decades-old relationships with all of the charities.
- We had three ministers on our leadership team to help assemble the deal.

This is a designation that has moral authority.

- We had supported charities in becoming more innovative and thinking differently, so we had stronger relationships with charities that wanted to push boundaries and move mountains.
- We took the stance that a charity's role was to push boundaries, and that investing in our project was changing the world and challenging how things were being done.

We reached out first to the charities that we thought would be the most innovative and open, the ones with whom we had good relationships, and the ones that had sizable investment potential.

The top four potential charitable investors signed back the NDA and asked for more information. If we had landed two of them, we wouldn't have needed any other investment.

To mitigate investment risk, it was great news that Broad View United Church, the initial charity that was running the two franchise locations, wanted in. In fact, everyone who understood the existing franchise model firsthand was interested in being involved. Without this commitment from people who deeply understood the investment, this would not have happened.

We were prepared, we were extremely conservative in our growth projections, and we had grassroots experience in the business model. Out of the other charities most likely to invest, only one decided to move forward. But with that one we had enough of a financial portion covered that we could keep moving.

For this second charity who was committed, it was their first non-real estate investment and non-loan-based investment in 200 years of being in operation. This was a huge first ripple effect.

We realized at this point that charities alone were not going to get us over the finish line. Besides emailing and phoning another ten organizations each day, we needed to consider individual investors.

> *"I think our priority is to provide the best as stewards of resources that have been entrusted to us. We are led to take care of people in various*

settings. Not just taking care of people but supporting them to become all that they were created to be. And I believe that this is one of the ways that we can do that.

When you have an organization that is built on those principles, it only helps what the organization does or why the organization exists. To continue to live in those principles. I think that's very important if we look at the world around us and what's happening around us, that level of care and concern is just not present to the masses."

—Susan, Board Member

Unusual individuals

Individuals that are both impact investors and accredited investors are a tad trickier. They either need to have over $1M in assets (not including their homes) or they need to have a long-term relationship with one or more of the *directors*[45] of the corporation.

Once we realized that we needed individuals, every single person within the leadership team was encouraged and excited about investing personally. With the accredited investors, we needed to have affluent individuals and/or family members. Two family members signed up almost immediately. We are grateful for their trust.

The eleventh hour

After all that work, we were still missing just under twenty percent of the equity needed to buy the business.

Two charities were interested in learning more and would represent about fifteen percent of that final amount. Both voted through their boards to invest. We were flying high. A week later, one of them backed out. This could have been the end, but one of the individual members of that charity reached out and filled that gap that had been committed.

With just five percent left, we continued to speak to everyone and anyone. Who knew which people were listening? A social innovator spoke to her entrepreneur spouse about the concept of a home care social acquisition. He said, "Let me see the numbers. Do you trust the leadership?" And wham! We obtained our last five percent of funding.

There was one more problem (you were waiting for it this time, right?). We still hadn't secured the debt. Many financial institutions professed how excited they were about the opportunity and about the social acquisition that was being done in such a novel way, but no one stepped up.

In the end, it was a relationship, deep understanding of the opportunity, and a walk. As one of our existing investors explained the opportunity to their spouse, it became natural to them both that they would be the ideal private lenders to get the deal over the finish line.

There are no words to describe how many isolated moments made this possible. You can already see how much hard work went into this, and that hard work is what creates the luck that got us over the finish line.

We kept on being told that deals get over the finish line in the eleventh hour. We decided not to buy into that and be overly prepared; we had been through the wringer enough! We were dealing with too many neophytes (ourselves included) to rely on the norm. This also created additional expenses in creating a holding company, but that worked out for the best. Usually things do. And if they don't, we make lemonade.

We never thought it was impossible. It was only later that private equity and business consultants who routinely do mergers and acquisitions were dumbfounded on the timelines that we worked on. And this was exacerbated by the fact that we were working with charities and their boards.

Apparently, it was supposed to be impossible. We just didn't know it.

In reflection we are grateful that we didn't know it was supposed to be impossible. And now, we're wondering what else is supposedly impossible.

> *"No one easily trusts a paradigm shift, but here it was—on funding, the frontline workers, families' needs and communities around them, and post-COVID. My mom had nursed and coordinated palliative homecare, frustrated by government funding shifts and profit-driven impacts. In my leadership and also coaching others to keep integrity, I knew many*

people fight an undercurrent of "but it will never work, greed is persistent, being the good guy will hold us back." Except here, each level was part of the plan, and each level—from caregivers and a dying person to the corporate connections, partnerships and governmental policies—all of us could feel in our bones the shift of this prophetic *view, instead of a profitable one.*

What if we started from the questions: 'What kind of care would we wish for our loved ones, and what kind of system could we live in together?' Each person/level can emotionally buy in to the vision for Just Like Family, and I sensed that the leadership circle that was forming had the social vision and connections to always drive the right conversation. It's not easy to maintain the vision—we can all feel cynical or fall back into patterns of self-protection in work, or distrust of others. The culture change is an everyday job at every level.

Here at Just Like Family the big pieces were in place—corporate structure, leadership with social credibility, diverse voices, and visions for a bigger, better future. This is changing the conversation by honouring and giving voice to all levels to say, 'If it was my loved one, my job, my values at play here, here is the way I'd like this to work.'"

—Carolyn, Investor

II

Building blocks

5

There is no such thing as a good deal.

We were the proud owners of Just Like Family Home Care. And there was more that we didn't know than what we knew. Over the 113 days after signing the LOI, we crept closer to the rabbit hole that we could not see into.

We didn't realize all the trials and tribulations that awaited us. We naively thought that the hardest part of the transaction was behind us. The good news is that we also didn't know all the positive ripple effects that would be possible. There were so many moving parts of this entity, this industry, and this movement, that we could not have conceived of the possibilities. Even a year in, we are still finding new possibilities of impact that we hadn't even imagined when we first considered this opportunity.

Did we get a good deal? Some will always think or hope that that is the reason that things worked out.

But there is no such thing as a good deal.

The moment that you buy a business, you have technically overpaid, because you have paid more than any other person to buy that business at that point in time. Otherwise, the seller should have logically sold it to the higher bidder. With this logic, there is no such thing as a good deal. The concept of buying means that you are paying more than anyone else at that moment in time. Now it is up to you to make it worth more and prove your point.

Although the acquisition was interesting, exciting, and newsworthy, it is what happened after we (over) paid for the business that things got interesting.

> *"I was introduced to Carla and within days we were learning how to invoice for royalties and the bookkeeping for a franchisor. It seemed pretty straightforward, but the processes that were in place needed to be rehauled. It was being done with a calculator! And I just thought, I can't do this with a calculator!! It was fun to figure this out and how to do this in a way that would work for us moving forward."*
>
> *—Serafina, Bookkeeper*

Why people sell a business

Hindsight is 20/20. It is only in retrospect that you realize that everyone sells for a reason. When looking at a social acquisition, there are a few things to recognize about businesses that are for sale.

In six months we ended up buying three businesses (we'll get to the next two soon). In a very short time, we were able to get deep insight into the various reasons why someone might sell their business.

Seller #1: The exit strategist

These sellers plan to sell from the get-go. They build their business to be appealing to a buyer and work very hard for a specific amount of time to reach the point when they can utilize their *exit strategy*.[46]

Some things to look for:

- Where did they sacrifice quality for growth?
- What was strategy and what was replicable versus what was luck?
- Where have they gone low on their expenses to enhance what their net income looks like?

Doing your due diligence shows you what you need to be taking into account in terms of where you will have to spend more money, where infrastructure needs to be filled out for future growth, how to focus on the scalability, and what new strategies will maintain the current growth projections.

Figuring out some of the pieces where the business is just a posture (or deck of cards) might give you negotiation power to get a better price. However, typically the exit strategist has been building their company with a specific number in mind.

Seller #2: The burnt out

This seller is a founder who had huge dreams, started their business with the right intent, and the sky was the limit. Unfortunately, over time the business has weighed on them.

Most business owners have burned out at some point in time. Frequently, they just need some downtime to rejuvenate themselves and come back to their business energized.

The founder that reaches burnout and comes to a breaking point where they wish to sell—usually immediately—typically has had this weighing on them for some time.

Some things to look for:

- Why do they have such a significant amount of burnout?
- Is the root cause of burnout still part of the business? Is it something that you can overcome?
- Is it a skills gap? Is it something that you happen to have a strength in?

Especially if you are looking to scale, the burnout piece is important. It might not be you that is burnt out, but it could be your franchise partners or your staff that end up carrying this weight. Will you be able to change or mitigate this downside? Consider how you will do that.

Seller #3: The disappointed

These sellers are a result of a failed business succession plan. Many entrepreneurs think about starting their business to create a family empire and a legacy that will live on in their families. This is especially true for businesses that take a lot of hard work to dig in and grow to a certain size.

The challenge is that the children have grown up with their own dreams and very frequently do not wish to run their parents' business for the rest of their lives. The succession strategy fizzles and they are forced to sell. This can take some time, because they are in denial that the family members don't wish to do the hard work they have done for decades. By the time they sell, they have come to terms that this is the only option left to them. Now they are just hopeful for options.

This is more of a challenge in rural areas where there are fewer potential buyers. But in these places there is also an opportunity for a local charity or nonprofit to carry the business forward.

Some things to look for:

- How much of the current success of the business is tied to the deep commitment of the family members over years or decades?
- How much of their net income is based on deep commitment by the family, and if done by staff, would significantly impact the net income?
- How could a transition plan work that would retain the long-term clients and partners that are in place?
- Could something similar in the local context be created? Why is this a staple?

Seller #4: The opportunist

This seller might never have planned to sell, at least not in the near future. However, with changes in the business environment (either negative or positive) they have realized that this potentially is an ideal time to consider selling.

Some things to look for:

- What are the triggers that have made them interested in selling? Is it so negative that it has increased the risk of taking this one? Is it so positive that you are paying an extensive premium that might not pan out?

- How honest is the seller with you about the change in the environment that is causing them to sell? Did you have to pry to figure this out? Is the seller covering up their reasons?

The challenge with this seller is that they are fair-weather sellers, which means that if anything goes wrong they will just take it off the market. So, you want to be extra careful on how much money you spend on this and also how you tie this up to protect yourself.

Seller #5: The legacy builder

This seller is motivated about making a difference in the world (they do exist!). They created their business because they thought they were doing something great and that they were the right one to do this work, because they were going to do the best job of it.

They are highly motivated to find a buyer with similar values and strengths as themselves (or strengths that are different but will support the business in getting to the right level).

Some things to look for:

- Are they really altruistically bent? This is a very attractive type of seller. It feels as though you are special and that the person is probably giving you a deal because they have 'chosen' you. Is this real?
- Vice versa, will they believe that you are real? We are hoping that business continues to change into win-win capitalism and that this type of transaction becomes the norm, but we are still eyes wide open.

Just because you like each other and have shared values doesn't instantly make it a good business deal. Being smart and doing your due diligence doesn't make you a bad person.

The people make the difference

As you can tell, we are trying to be helpful, but there is really no way that we can give you all of the things to look for! Every single scenario is different, but this is a good sample of some of the things that we have seen.

Again, hindsight is 20/20. Most of the things that we are identifying are things that we might not have had full visibility of at the time that we purchased. In fact, we are writing about some of these things because we completely missed them.

Did we get a good deal? You get what you make of it and what you understand of the deal. You have to know that everything can change on a dime, and we have seen that over the last twelve months of operation when every single week gave us a curveball.

You can't rely completely on your business plans and your due diligence, your research and your experience. The only thing that you can count on is yourself and your people.

As a people-based business, we had to realize quickly that it was the people that were going to make the difference.

> *"There are times that I've been nervous about the overwhelming amount of learning and pieces that we needed to get in order. But with the support of the team and the grace for learning, it was easy to overcome any nervousness. I always felt supported. We changed the tone of how things are done. We are relational first, rather than just transactional. We have compassion."*
>
> *—Serafina, Bookkeeper*

6

Why pursue a social acquisition?

This is a question we've ignored thus far.

> *Why pursue a social acquisition in the first place?*

The opposite question instantly arises – why *shouldn't* you pursue a social acquisition?

Here are some reasons you might not.

Is this risky?

Yes! It's so much easier not to take on debt, shareholders, a new board, and a million other challenges. It is so much easier to have a job. The saying goes "if you want money today, get a job. If you want to build something and have something at the end, start a business." It doesn't matter what type of business that you start; it is going to take time to build and cash flow won't be instantaneous. With a social acquisition, it is even worse! You start with shareholders that are expecting returns and watching your movement – and if you are buying a larger established business, this isn't a small amount of money that your investors have put forward. They are watching.

> Note: Our investors are great and have actively informed us that they have patient capital and understand that we are growing something. In fact, many impact investors are exactly as we would describe our own: patient, loyal and committed. We are very blessed to have these types of investors. This is more of a warning about the responsibility that you are taking on, even when your investors are fantastic.

Is this for me?

Maybe! But this is not for the faint of heart. No business venture is. We recognize that there was a lot of privilege in our experience that enabled us to explore innovation work, develop relationships, and create a culture of courage to take this kind of leap.

We hope that our success will blaze the trails for others. This kind of work will never be easy, but maybe we've made it a little easier. By reading our story, we hope you now know it's possible! And we hope that you can follow our model – adapting where you need to – instead of starting totally from scratch.

For example:

- You now know it is possible
- You have a model to follow
- You can carve your own path from there

What questions am I not asking?

Shockingly this is the most common question that we have been asked over the last eighteen months.

When investors or partners ask us what questions they're not asking, we choose to use it as an opportunity for trust-building. Often this question comes from a lack of trust, where they think that something is being hidden from them.

Instead, choose to interpret this question out of a place of trust. People want to ask us what they aren't asking because they trust us to tell them. It is naturally leading to a relational rather than a transactional approach with them. We accept that!

So why shouldn't you do a social acquisition?

There is so much stress, pressure, and loneliness as no one understands what you are talking about. People were just starting to understand what a social enterprise is (just starting!) and then we threw in a social acquisition. People just gave us strange looks.

It is risky.

It could be for you. But it isn't for the faint of heart.

You will never know all of the questions that you should be asking. And that will never stop.

There are lots of reasons to *not* pursue a social acquisition. But if you really think about it, we have to start doing more social acquisitions. The alternative is that the way things are operating today is good enough. And it's not.

So why pursue a social acquisition?

Social acquisitions are the way to expedite system change and have the impact that social enterprises are trying desperately to do. With the current need for change with climate crisis and inequities in the world, we desperately need to expedite change. Gone are the days of speaking about systemic change that can take seventy years to shift the culture of a country. What we need is something that is revolutionary and undeniable.

From our vantage point, this just might do the trick.

Why pursue social acquisitions? We really can't afford to live with the alternative.

Social enterprise models

The past two decades saw an explosion in the interest of social enterprise.[47] With the rise of social media, it has now become a buzzword.

> *"My first social enterprise in 2009 I had no idea [that it] was even a social enterprise. I had created a sales and marketing consulting firm that quickly changed into a Canadian-based telemarketing company due to the fact that most small business owners were having an impossible time hiring inside sales support and getting results from them. Instead of them hiring someone full-time, they'd hire my firm to get their strategy under them, create their sales tools, and then hire on retainer the inside sales for only five to ten hours a week for solid work. We tested the sales calls, created the call lists for business-to-business engagements, and onboarded the inside sales staff. Quickly we realized that this work could be done from anywhere, and we hired individuals in rural areas (often with mobility disabilities) and trained them to become professional business-to-business sales people – a transferable skill that they would never lose. Speaking to recruitment organizations, including the government organizations that were seeking to employ marginalized individuals, this seemed like a logical person to employ. They had fewer opportunities in rural [areas and] were motivated to learn; we offered year-round work (versus seasonal) and our pay started at $25 an hour plus commission. The government was shocked that we didn't need subsidies, but our business model didn't need it. It took me two years to realize that we were an employment social enterprise. I simply didn't have the language. Doing good business the right way, just seemed the right way."*
>
> *—Carla, CEO*

With the far-reaching aspirations of social acquisitions, we need to provide some social enterprise context before we jump to discussing social acquisitions. Here are the 5.0 versions of social enterprise.

> Note: Naming things as 1.0 and 2.0 is not diminishing the value and importance of some models over other models. All are used in different ways and for different purposes. Social acquisitions are not the right model for everyone. The point is that neither is social enterprise 1.0 the right thing for everyone, and we need to understand the difference. We need to expand our thinking to change the world.

Social Enterprise 1.0—The New Revenue Stream

Examples: Community hubs, centres for the arts.
Definition: Something that nonprofits and charities are doing anyways and have discovered contains a new revenue stream.[48]

Community hubs[49] are a great example of this type of social enterprise. As the world started to change, many existing, large nonprofits realized that they had gigantic buildings that were increasingly empty because they were no longer used for their original purpose. They started to get approached by community groups, other nonprofits, and social enterprises that needed space for their programming. This because a natural social enterprise as the nonprofits realized that this was a new revenue stream that could be a "room donation" or a "social enterprise," both of which are code names for a new revenue stream.

Pros

- You are already doing it!
- You can leverage your existing space and *assets*[50]
- You might actually find a second social enterprise due to trying out this first one
- You will build more relationships in the neighbourhood and community, which is actually the beginning of becoming more relational rather than

transactional and will lead to good things

Cons

- It is a Band-Aid (temporary) solution
- It often doesn't result in the real mindset change that might be necessary for your nonprofit or charity to continue to grow and create impact
- It could prevent further innovation as the organization feels like they have done "enough"

Social enterprises have been a leader in changing the mindset of society toward thinking differently of how people, nonprofits and charities could behave.

Social Enterprise 2.0—Employment

Example: Cafés, building or contractor social enterprises
Definition: Putting people's employment and skill development as the key outcome of the social enterprise's purpose.[51]

This has been differentiated from a social enterprise as something new, that is potentially adjacent and potentially not adjacent to the core programming of the nonprofit or charity. An employment social enterprise that is created to take advantage of the existing strengths of the organization is often better, as it is then more supportive of the mindset change around future innovation. For instance, Raw Carrot Soup Enterprise leverages the kitchen of a church to create healthy and delicious soups. They hire individuals with different abilities as a social enterprise. Working with the church, they were able to leverage the kitchen space (that could be part of a social enterprise community hub), and therefore it was easier for the volunteers and community to understand that this employment social enterprise was part of a bigger possibility for change and impact.

The important aspect of an employment social enterprise is that it is about the social justice lens of a hand-up rather than a hand-out. A "hand-out" is a traditional charitable approach where things are given to those that do not have them, but this means that they could potentially become reliant on the hand that feeds them. In contrast, an employment social enterprise is about the "hand-up," where the tools and resources are provided for the individual to perpetually be at a higher level than before with new skills and resources to maintain this new quality of life. It considers that everyone has strengths and can provide value. It isn't about giving and charity; it is about opportunity and supporting people as human beings as they are built up.

Pros

- Employment social enterprises can provide a concrete example of the difference in their employees lives
- It is easy to measure and tell the story
- It can lead to systemic change as employment social enterprises are great recipients of *community benefits funding*[52] and *social procurement*[53] opportunities

Cons

- There can become confusion between supporting those with employment that are marginalized in some way versus just employing people. The margin of profit is minimal, and if one has a nonprofit structure, it is easy to operate like a for-profit (not a social enterprise) that is not actually creating the impact it professes
- Employment social enterprises typically don't make enough profit to create additional revenue or other impacts with the proceeds. The main outcome (although one hundred percent admirable!) is going to be the provision of a hand-up rather than a hand-out

Employment social enterprises have created a whole new landscape of how to create impact and have fostered dignity and respect in the marketplace. The expansion of employment social enterprises has increased the street credibility of social enterprises as a whole.

Social Enterprise 3.0—Business Unit

Example: Cleaning services
Definition: An arm's length social enterprise from the core of what the organization is already doing which circumstantially has responded to a *market opportunity*[54] that presented itself.[55]

This new social enterprise as a business unit is still (often) housed under the nonprofit or charity and acts independently. It happens this way when the nonprofit or charity responded to the need and its governance structure didn't get in the way of the leadership following the energy. This is one of the most successful types of social enterprise as it has leveraged the existing market (and capitalistic) practices by responding to a market need. Often the nonprofit or charity will describe this business unit as a shocking success. But upon reflection one can see that it was based on a need of some sort.

> Note: There is the opportunity for a charity or nonprofit to create a for-profit entity from scratch that is fully arm's length. It will still have the normal growing pains of a normal start-up and is just another way to legally structure a social enterprise as a business unit (3.0). This is what The United Church of Canada did when they created their for-profit development company.

Cleaning social enterprises often show up here as a nonprofit or charitable organization didn't intend to create a cleaning company – it just happened. One example is found in Eastern Canada, when a large social justice organization that already had a café created a matching tool that matched unemployed individuals with tasks. They found that the commercial cleaning jobs weren't being picked up. In response, they created a social enterprise business unit to handle the demand.

Another way that this can show up is as a *shared platform.*[56] Many charities build partnerships with nonprofits to act as their trustee for donations or grants to support them in fundraising, which is also called a shared platform. But the ongoing form of a shared platform is providing the back office and additional support that a fledgling *social innovation*[57] might need. Tides Canada is a great example of providing both shared platform and *back-office*[58] support for the social innovations that have continued to spring out of it.

Pros

- Leveraging capitalism tools and best practices results in better financial results
- Better financial results lead to the ability to focus on the impact
- Better financial results also lead to the ability to invest in other opportunities as they arise, or to reinvest in themselves for scale

Cons

- There is a risk of there being a disconnect between the entity and the social enterprise business unit, as it was somewhat unplanned. The best way to organically scale is through *adjacencies*[59] (business units and growth that complement and extend the existing programming)
- This type of business unit will most likely cause some change management issues and misunderstandings, but it could lead to some other ideas and opportunities

Social enterprise as a business unit that is going well leads to social enterprise *enterprise*.

Social Enterprise 4.0 – Social Enterprise Enterprise

Example: Dawn Enterprises
Definition: A collection of independent social enterprise business units housed under a single entity that continues to expand with these best prac-

tices.[60]

Many large urban centres think that they know best when it comes to social enterprise. But the reality is that the most progressive and innovative social enterprises are living on the edges. With this insight, there should be no surprise that in North America, there are islands on both sides of Canada that have been doing social enterprise *enterprise* for decades without thinking twice about it.

Dawn Enterprises is based out of Cabot, which is the more remote, rural, and Eastern side of Nova Scotia (a Canadian province). They keep adding more and more social enterprises as part of their overall business model providing local jobs, community economic development, and financial sustainability for themselves to be able to continue to innovate. This could also be a structure that has and will continue to embed social acquisitions within the framework that they started from scratch.

Pros

- Success breeds success. Once a single social enterprise as a business unit has proven itself and the leadership sees its potential, an organization now has the benchmark and management capacity to replicate this success
- Improved ability to innovate and identify other opportunities
- Backbone organization can begin to take advantage of economies of scale

Cons

- There is a need for stellar leadership to hold to the initial mission and purpose of the organization. Social enterprise as a business unit and the emerging social enterprise *enterprise* model can begin to take over a business
- Scale potentially has a limit with leadership capacity hitting a wall that can be based on the number of business units or based on the geographical capacity. But this has not been proven, and historically nonprofits and

charities have scaled to such significance that they shouldn't be written off

Yes. We made up the term "social enterprise *enterprise.*" We have already written 20,000 words and couldn't come up with something better.

Social Enterprise 5.0 – Social Acquisitions

Example: St. Elizabeth Health Care
Definition: A charity, nonprofit, or collection of impact investors that has elected to take the social enterprise as a business unit to the next level by moving it to a totally separate entity. Not only that, instead of starting it from scratch, the charity has purchased an independent business![61]

Why make it if we can buy it? The failure rate of a start-up according to the US Bureau of Labor Statistics is twenty percent failure in year one and forty-five percent failure in the first five years of operation. And that is taking into account the businesses that are federally registered and filled out all of the paperwork, not the ones with just an idea. Conversely, an existing business that has been in operation for over five years is only twenty percent likely to fail within the next five years. And the longer that it lasts, the less likely it is to fail. If it ain't broke, don't fix it!

With these stats in mind, we can start to question why we would ever start a social enterprise from scratch.

St Elizabeth Health Care is a charitable organization that is leading social acquisitions in Canada. They have an innovation arm and a team that is specifically seeking out acquisition opportunities. Often the organizations that are doing some of the most amazing work are simply not shouting to the hills about it. They are just spending their energy on actually doing the work. It was their roots in social enterprise (home care, like us) that gave them the foundation for this approach.

There is an entire social acquisition movement that is emerging as we begin to realize that the impact of the billions of dollars that are locked up in charitable savings, making slim to no interest, could possibly change what capitalism looks like.

Pros

- The initial failures and learnings have already happened by the time the entity is acquired. Sure, there is always more to learn and the new owners have a steep learning curve, but there is *cash flow*[62] and *intellectual property*[63] already built up
- The amount of growth from a larger entity is much more significant. For instance, if you start with zero dollars and grow to $100,000, you have $100,000 of additional potential impact (and a lot of stress and possibility for failure). With a social acquisition, if you buy an organization that is making $1,000,000 from services, when you infuse new leadership and values into the organization and grow it by ten percent, you are making $1.1M in impact with the same incremental impact of $100,000
- The rabbit hole and ripple effects cannot be calculated. There are so few social acquisitions and this is still such a new field that there are incalculable possibilities

Cons

- It is risky
- There are not a lot of people willing to do it
- There are a lot of questions that might never be answered
- All of the reasons not to do it will continue to eat at you

As you can see, there is a growing emergence of understanding the differences between these types of social enterprises. More and more organizations are exploring beyond social enterprise 1.0 to others that might be a better fit.

The most exciting part of social acquisitions versus other opportunities out there is the scale. So many nonprofits and charities scaled in the early 1900s. Think of United Way, Goodwill, and many religious denominations. It was a time of growth. It is the social acquisition model that allows for scale in a way that social enterprises are often limited.

The scaling problem

Many social enterprises start from nothing. Many social enterprises come from an existing nonprofit that has elected to explore alternative revenue streams.[64]

However, there is a set of fundamental flaws to scaling a social enterprise from scratch. The two main challenges to scaling a social enterprise are increased risk and long timelines.

Challenge #1: Risk increases with impact

Once a social enterprise hits sustainability, they could become hyper risk-averse. They have grown something to such an amazing point that by scaling further, they could put all they have built at risk. The ethical dilemma is weighing the potential benefits of scaling to help more people against the potential negative impact on the good you're already doing.

The only ones that really escape this challenge are the ones that have so much financial success through their social enterprise that they give themselves the breathing room to think bigger and not expose themselves to this risk. This is unlikely, of course, as most social enterprises will refuse to charge market rate or select industries that have this potential upside in profits, as it could be seen as misaligned with their values (rather than simply the smart business decision that it is). The most common social enterprise in Canada as identified by Buy Social Canada is a café or catering. This is the exact same business type that has the highest failure rate as a startup and has some of the lowest profit margins out there.

Challenge #2: Scale takes time

It takes so long for a business to grow to a place that is ready for scale, and burnout or mission drift are very possible with this prolonged time frame. There is such a steep learning curve and so much marketing work involved to get to a point where closing sales becomes easy and the next level of growth is achievable.

For example, Just Like Family Home Care started in 2010 and didn't franchise until 2018. That is eight years of learning to even get to a scalable size. In that time the business grew from $0 to $1M. From 2018 until we purchased the business, it grew from under $1M to over $12M in half the time. And at the time of publishing we've just surpassed $20M.

Purchasing a business and infusing values into it is a way to expedite impact and avoid these two roadblocks.

When you think about the billions of dollars in endowment funds of charities, this is a huge amount of potential that could be released.

7

Where are charities invested today?

> Note: Nothing in this book should be considered financial advice, just like we haven't provided legal advice. This is a story of conversations, considerations, and changing the world using what we've been given.

The number one reason why charities professed to *not* invest was that they didn't see it as strategic. It is important to understand how and why charities are investing the way that they are today to understand the possibilities around social acquisitions and how they could be strategic.

Apples to oranges: programs to investments

As we've already said, lots of charities turned us down. Some of them said that partnering with us wouldn't be "strategic." But they were confusing our investment opportunity with the programming they were familiar with.

Impact investments, specifically direct equity impact investments, are very easily compared with a charity's or nonprofit's programming. These are the day to day activities that a charity or nonprofit does. This could include summer camps for kids, soup kitchens, educational activities, a shelter, a food bank, or any other commonly understood programming. A charity or nonprofit's programming is custom designed within a *theory of change*[65] to create the impact that is aligned exactly with its vision. There is no way an investment should compete with that!

Now for the Just Like Family example and why it is so confusing. Home care as a business supports seniors, those discharged from hospital, or any individual or family that needs a little bit of extra support. You can imagine that this type of business has a huge impact in people's lives, just like a nonprofit's programming does. There are many charities that provide senior visitation (called pastoral care within a church context) and there are many hospices that are charities.

It is making a proactive impact (just like a program does!).

But investments make money and programs use money. A program typically costs dollars. Charities and nonprofits actively fundraise for donations to pay for these programs to be run. They are operating at a loss and it is only the donations and the "charity" of others that allow them to be run. An impact investment is designed to make money and add to the charity's pot rather than require funds from it. And yes, it also happens to proactively make an impact.

But it isn't a program. It is an investment.

Apples to apples: investments to investments

Established charities and nonprofits (and their *trustees*[66] or *investment committees*[67]) are actively protecting their existing assets. These can be in the form of *endowments,*[68] *trusts,*[69] *reserves,*[70] and *general accounts*[71] for the organization.

As a foundation, an organization is mandated to disburse a percentage of their funds a year to fund programs that make the impact that they are striving to create.[72] That means that only four percent of their funds are being used to make a difference in the world. What is happening with the other ninety-six percent (the investments) in making a difference?

The main outcome of investments for a charity or nonprofit is to support their financial stability for their continued operation to continue to deliver impactful programs.

Investments are considered when balancing risk and reward.

Risk

Risk can be viewed in many different ways surrounding investments (and yes, it is always important to consult with your financial advisor).

- Risk can be the likelihood of losing the investment. Is there security? Is the industry volatile? Is cash flow stabilized?
- It can be viewed as an opportunity cost comparing different investments and how else this funding could be used
- It can be viewed as not putting all of your eggs in one basket and having a diversified portfolio

Reward

Reward is the financial return that you receive in exchange for the risk that you have taken on your investment. Typically the risk versus return ratio increases with the following types of investments:

- Guaranteed Investment Certificates (GICs): These are secured investments, which means that you get your money back that you invested but you have to commit to a certain amount of time that it is tied up
- Mutual Funds: The risk in a mutual fund or a fund is reduced as it is a blend of bonds and stocks of various organizations in order to diversify the risk within the portfolio
- Bonds: This is the debt of a company that is issued. It is secured on the cash flow and assets of the business, and a bond is paid out prior to any shareholder receiving funds if there is a bankruptcy or cash flow issue
- Stocks/shares: These are the direct share investment in companies. These would be available through stock exchanges and are regulated in how they report earnings to protect consumer investors
- Direct equity investment: This is the direct investment in a business without the intermediary of a broker or exchange

How charities invest today

Charitable investments are inherently risk-averse.

There are regulations in place that mandate that trustees and investment committees making decisions on behalf of a foundation, charity, or nonprofit must legally ensure the returns while mitigating the risk of an investment.[73]

Many charities' investment committees elect to go with GICs as a large part of their investment strategy, which on the continuum of risk versus reward is on the bottom.

Why? Because of the concept of fiduciary duty and the additional level of fiduciary duty that has been put on investment committees when considering a charity's investments. If the investments take an unexpected downturn, then the charity or nonprofit will have fewer funds to deliver their programming that is their vision and mission. GICs have a stable, regular return that will not expose an investment committee or a trustee to any fiduciary risk.

Add to this the consensus-based decision-making that happens on most charities' boards. This is slower decision-making and often has a lower risk tolerance. There is no upside for someone to individually take a risk on making an investment decision that makes sense to them but will take time to convince others to participate in. They don't receive the return themselves, and they are at risk of losing significant social status or relationships by making a stand in a consensus-based decision-making structure.

Next, being on an investment committee for a charity is often a volunteer position. It is unfair to expect a volunteer to stick their neck out and offer an alternative investment strategy. Again, there is no incentive and systems are promoting the status quo. Innovation is dangerous when it comes to fiduciary duty.

There is a saying in business management that "No one gets fired for choosing IBM."[74] The same could be said for investment committees investing in GICs.

But new things are arising...

The rise of ESG

Environmental, social and governance (ESG) criteria are screening mechanisms used for investments to ensure that potential causes of harm are averted. This is a new threshold, a standard of reducing the harm that our investments can make.

Everything else in terms of the types of investments and risk versus reward still holds, but we have narrowed the number of options that are considered with an ESG lens.

This is not actively creating impact with these investments, it is just ensuring that we aren't investing in things that cause environmental damage, disregard the impact on people, and don't have good governance that could result in harmful management decisions.

Over time ESG has continued to push the envelope and move towards what an impact investment is, but it has its limitations based on its initial premise of reducing harm rather than making a proactive difference. It is closer to the bare minimum of ethical investing.

The good news is that many charities and nonprofits have made this a requirement. The challenge is that when we can say that we've done this, we might stop looking around for what else is possible.

Impact investing

Impact investments are the next continuum of ESG. Rather than looking to reduce harm, they are proactively creating positive impact (as well as having the basics of ESG).

The challenge that arose for some time around impact investments for charities was the fiduciary duty around limiting risk to the charity. For decades this was a significant barrier that prevented many investment committees from even considering looking at these options.

But even without it, an investment committee can review the risk elements versus the reward elements and decide that an impact investment is a way to diversify their portfolio in combination with more traditional ways of charitable investing.

To make impact investments more accessible, there are a few ways that they are happening today.

Impact funds

Impact funds have continued to pop up around the world.[75] These are funds that do direct equity and debt investments in organizations throughout the world. Often they invest in environmental businesses or projects, infrastructure projects that will improve the lives for the people in a certain country, or some other social or environmental positive outcome.

The challenge with impact funds is that they all have great stories and they all can justify positive outcomes. But how do you compare them and know who makes the most impact?

Different from other investments that only consider risk versus reward, impact investments start to evaluate risk, reward, and impact. So you might take on more risk if the impact is bigger. Or you might decide that you need less of a return if the impact is bigger.

Comparing and understanding what you are investing in can become complicated.

Fund-to-fund

To reduce the complexity of deciding which direct impact fund to approach, there has been a large emergence of fund-to-funds. This is a fund that selects a handful of other impact funds that have different stories, lenses, and impacts.

Usually a fund-to-fund would require the impact funds that they have selected to report their impact in a similar fashion to them so that they can report this back to their investors.

This approach is quite common as it offers a diversified risk approach, creates a common way to tell the story, and can invest in different funds with different priorities.

This is one of the easiest ways for a charity or foundation to start impact investing. For a charity that needs their investments to be income-producing, sometimes just moving from one investment into fund-to-fund quickly produces income.

Impact investments through debt

One great part of impact investing for a charity is to hear the stories of the impact that their investment dollars are making. When working through a fund or using a fund-to-fund approach, some of the direct impact and storytelling could be lost.

Though most impact investors do use the other vehicles, they might also wish to invest directly in an initiative.

Historically the most common way to do this is through a loan. A foundation would learn about an affordable housing project or a renovation that was required for a nonprofit or charity, and they would issue a loan on the security of the property or other assets.

Doing a direct investment like this has two hurdles:

1. There is a significant amount of due diligence that is involved for a charity to invest directly, and many of these investments are small so that the due diligence costs can outweigh the investment benefit. Many charities end up co-investing (investing together) so that they share the due diligence costs, or one organization takes the lead (one with more experience in impact investing) in order to support the others in starting to do impact investing.
2. Projects aren't just ready to be invested in. The timing of GICs becoming available or other impact investments paying back the initial investments don't often line up. There is a lot of coordination in this and it is important that charitable investments are always making some sort of return rather than sitting as just cash. This can be a barrier and takes extra work. Again, working together, charities can be aware of these opportunities and plan their cash flow and investments accordingly.

The great news is that the impact investors in this case are hearing directly from the horses' mouth of the impact that is being created. They aren't just in a fund and they aren't arm's length. They can get excited when the project is complete, they can get excited when they receive a loan repayment. They can feel like they're a part of it!

> Note: Community bonds are another type of impact investment that leverages debt. These are smaller bonds that can be issued to large and small impact investors, but they have to be issued by a nonprofit or charity (rather than a for-profit). Tapestry is an organization that is the backbone for many organizations in Canada that are looking to issue this.

These investments are still debt. They are loans from the charity as an impact investment to the organization that is doing the work.

Loans inherently are transactional in nature. They literally are an "I owe you." They put the organizations into a power dynamic where one is needing to report to the other and pay them back. It is less relational than many charities might wish.

Direct equity investments

Now the emergence of direct equity investments.

Yes, just like impact investments that are loans, direct equity investments require the necessary due diligence by the organization. And they don't show up every day. For us, there were two key factors:

- **Due diligence.** We were blessed that we had first-hand knowledge of the business model through our investor group that had brought the deal to the table.
- **Timing.** This had been in the works for three years before it got to the table.

There are significant hurdles in the way, but it goes to show the importance of hitting it when the iron is hot when these opportunities do arise.

> *"Charities owning the business really inspires me, because I believe that that is one of the major ways we do business differently. And I believe that the charity model is shifting with new generations. I don't think our younger generations are taught to think it's part of their everyday life. And so, how do we keep the charities running in the future? I love that the charities have a hand-up rather than a hand-out in the business. And so if we do have a business that is run by not-for-profits, but as investors, the dividends go to those charities and then that immediately goes back into the community and is a full life cycle.*
>
> *What is very exciting to me is that we are not paying for yachts or some mansion on an island. And that this is a different way to contribute to the different areas of our community through the not-for-profit, while they are earning money through the home care."*
>
> *—Sarah, COO*

What differentiates this impact investment is the proximity of the investors to the impact and the work. They know first-hand the difference in people's lives and the rollercoaster ride of owning a business. Every month in the first year, we sent an investor update with stories about the new unexpected impacts, the big moments, and the huge learnings.

The investors were able to have a direct line of communication to the leadership to ask questions, to provide ideas, and to feel part of it. Conversely, the leadership felt supported, heard, and part of a huge team of champions that would make the vision possible together.

If a fund-to-fund was a sea, a fund would be a bay, debt would be two boats (one with the lender and one with the lendee), and equity would be everyone in the same boat on the sea.

Thinking in this way can ensure that an organization makes an even larger difference in the world. And feels part of it.

> Note: Program-Related Investments (PRI) was introduced by governments recently to support charities and foundations in expanding how they can consider their investments. A PRI allows a charity to make a lower rate of return as long as the investment is program-related. However, many charities and their investment committees still don't know about it or how to apply this to their context, especially as something being program-related could be subjective. So few still leverage it.

But the opportunity is there. PRIs are an absolute blend of thinking about investments and programs together. If there is an investment that looks and acts like a program, fitting into your vision and mission as a charity, you legally can take on more risk or have a reduced risk versus reward ratio as it is determined that this investment is in line with your organization. Our point is that impact investing is possible without this caveat.

Being accredited

Being able to do a direct equity investment is a privilege. Not everyone is allowed to do this. In fact that is why laws are in place, to protect the average person from being swindled into investing in something that isn't a good idea. The stock exchanges and regulations are there to protect consumers, while reporting requirements are there to allow the average person to buy a stock.[76]

Outside of a stock exchange, we can only own shares if one of the following criteria applies:

1. **Family & friends:** You have a close and long-term relationship with one of the *directors* of a company. This is assuming that as a friend or family member of someone who is part of a company, you would know enough about the investment opportunity to decide for yourself if this is something that you should do.
2. **Accredited investors:** You have been approved by legislation to take on

the risk of due diligence yourself. You are trusted to make sound decisions around an investment and are technically outside of the consumer protection of the stock exchange here.

Most don't understand that a charity is an accredited investor, what that means, and what that enables them to do. Just like the term says, this is a good thing. You have been given the stamp of approval. Who is accredited?

Companies & Institutions

Based on a threshold of assets, companies and institutions are not considered consumers because they have a team and the sophistication to do their own due diligence to protect themselves.

Millionaires

People with over $1M in investable assets (not their home) are allowed to do direct investment. They again are considered to have their eyes wide open on both the risk and the opportunities.

Charities

Similar to companies and institutions, charities at a certain threshold of assets are considered able to make these business decisions themselves. Therefore a charity can legally invest in a direct equity investment.

So why consider a direct equity impact investment as part of your investment strategy? When looking at risk versus reward, direct equity investment will typically have a higher reward in its business plan, and the risk is higher as you don't have security like you would with a loan. But another part of managing your risk is not putting all of your eggs in one basket, or a single type of basket. Diversifying your portfolio into different investment instruments is another way of reducing your risk. Having some of your investments open to considering this approach could be strategic.

Is this legal?

We can't tell you how many times we have been asked this.

A social acquisition that we executed simply took the existing capitalist tools that were available, applied a values and people-first lens to it, and moved forward.

As an accredited investor, a charity can legally do a direct equity investment. We just covered that.

But the real question is, "Can a charity own a for-profit business?"

Charities already do own for-profit businesses. Every share, every company that has a large percentage of their shares owned by charities are examples of this. Albeit it is a lower percentage, but ownership is possible.

In many instances (and these numbers are rising), charities own one hundred percent of for-profit businesses.[77] They need to ensure that they protect their charitable number by ensuring that the business does not have direction and control by the charity. A for-profit would need a separate governance structure. As soon as a charity owns more than fifty percent, they are at risk of being accused of having direction and control of a for-profit business.

For our social acquisition, we had three charities invest. Not a single one of them was over fifty percent by themselves, but collectively they own over fifty percent. So not a single one can be accused of having direction and control of the business.

How big is this opportunity?

Huge. Absolutely tremendous on a scale that is almost incomprehensible.

Literally billions of dollars are sitting in endowments throughout Canada and the United States (and the rest of the world for that matter). Billions of dollars that have been donated and stewarded for hundreds of years to make the world a better place. Today only a small percentage (four to ten percent) of the endowment funds are put into programming every single year.[78] In Canada, they just rolled out legislation mandating that foundations have to disburse five percent instead of the historic four percent that has been disbursed.[79] This is the funding of billions that is making an impact today. This is in line with the average return that a charity is making today.

Let's say that we double that. Even with only five percent of endowments being committed to impact investing, we could double the impact of our charitable dollars. That leaves ninety-five percent of our investment strategy that can be used for purposes already in place.

But remember that impact investments can be funds, fund-to-funds, loans, and direct equity investments. There are already diversification options within impact investments. What if we committed ten or even twenty percent to impact investment vehicles? We could easily quadruple the impact of our endowment dollars!

Think about the impact on businesses. Our social acquisition could literally be the first of many. There could be charities buying other franchise networks, increasing the amount of equitable ownership, putting people first in business models, and literally changing the world. What if ten percent of the world's businesses were owned by charities? What new collaborations would be possible and what could those dividends do for the sustainability of the charitable sector?

If you want to speak about making the world a better place, there is almost no comparison to how much change this would make in the world.

What was missing? The missing link!

You are probably reading this right now thinking, "Why isn't this already happening?"

People speak about systemic change. But sometimes people need to see it to believe it.

We were speaking to people about direct equity investments, but it was so abstract and there weren't many examples to point to. So we had to do it, and then write a book about it.

The framework, the example, the experiment. We hope that this is inspiring.

8

Franchising 101.

Imagine you have come up with a great business. You have seen that the way that you do things is better than anything that you've seen before, you have employed your neighbours, you have purchased from other businesses locally, and you have rave reviews from your customers. You are committed to the amazing business that you have created and realize that your community has benefited greatly from your good work.

Wouldn't it be great if your amazing concept was in other places? Would they equally benefit from the business concept that you have come up with? Why don't you just share what you've learned with someone who is as equally committed to the outcomes as you are? But you need to ensure that they protect your company's name and deliver outcomes at the same (or very close) level to what you are doing.

We generally believe that this is how franchising started out.

Charities and nonprofits should be very comfortable with this model as most large institutional charities have a similar structure that has a head office that manages the processes and strategy of the organization. It then works with the grassroots organizations in communities to contextualize what the neighbourhood needs. This is almost exactly like franchising!

The history of franchising

However, somewhere things changed. There was a period when the concept of franchising, making it rich quick, and taking advantage of individuals who had limited experience in deciphering between a good investment opportunity versus a very poor one won out. There were times where people would have a business model that worked in one instance that had a very slim or poor chance of being successful in other locations. They would sell the rights and offer limited or no support.

Many jurisdictions moved in to protect potential *franchisees*[80] and treated this type of investment opportunity as a consumer purchase.[81] Consumer protectionism legislation was put in place demanding that *franchisors*[82] disclose information about the investment opportunity and have a cooling off period of at least two weeks in order to have a clear head when signing an agreement.

This changed the dynamic of franchising with a significant amount of regulations, processes, and professionals (like lawyers and accountants) needed to follow these laws and ensure that people were treated fairly throughout the decision-making.

What remains within the franchising sector is a unique camaraderie. There is a collaboration between franchising networks and franchisors share their best practices and approaches with each other. Conversely, franchise networks act as true networks where there is peer support and relationships between the franchisees. There is a general consensus that franchise networks only work when the franchisees are successful and supported. It's thought that everyone doing well is an outcome where everyone wins.

It is probably not a coincidence that this is a place where we were able to explore if win-win capitalism could work.

How franchise networks are structured

Everyone is familiar with McDonald's. This is where they have individual restaurants that are all operated by individual owners that follow the processes of the franchisor. The head office is the franchisor. The individual restaurants are the franchisees.

Franchise networks are the brand. It was once said that the most consistent thing about McDonald's was the cleanliness of their washrooms, and that is just the start.[83] No matter where you are in the world, you can trust that you will have delicious fries. In places where you are uncomfortable, you can trust the brand.

The good news for franchising is that this is not the only example. Others include Subway, Burger King, Tim Horton's, Molly Maid, Shoppers Drugmart, Pillar to Post, Dogtopia, Chipotle, and so many more household brand names. It is a way to have a united brand with consistent quality.

Franchisor

The role of the franchisor is one of processes. At the end of the day, they are the guard of the brand. The brand will include:

- The tagline, the trademarks, and the colours
- How things are done, including the processes and templates
- The training to get new franchisees up to a certain level quickly
- The monitoring of how the brand is currently being represented across different territories
- The collection of best practices and continuous improvement

Remember that the franchisees are considered to be consumers when they invest. The legal process is a myriad of protectionism for them. Although this protection holds true as they determine if they wish to buy a territory, the franchise agreements mostly lean towards benefiting the franchisor. This is important in terms of breach and infringement on the brand, which can have huge detriments on the rest of the franchise network. As you can imagine, it is important that everyone behaves the same, as one rogue franchisee will impact the positive brand name of numerous other businesses.

The franchisor owns the intellectual property of the franchise network as well as the agreements with all of the franchisees. Sometimes these are in the same corporate structure, and sometimes they are put in different corporate structures.

Franchisees

Franchisees are independent business owners that have to follow the brand guidelines and the requirements within the franchise agreement, but beyond that, they are still their own bosses.

Franchising offers the beautiful blend of being self-employed with the independence to make decisions alongside the support of the franchisor and the wider network. In the end, you are able to run things the way you like while not being alone.

Just the opposite of a franchisor who focuses on processes and intellectual property, the franchisee is running the business and executing the processes. Most franchise networks put the accountability of sales on their franchisees. Why? Because you can lead a horse to water but you can't make them drink. The accountability of revenues still needs to be on the franchisee.

Buying a franchise costs money. It is one of those times that someone who already has money is able to leverage their existing assets and create more. This is similar to accredited investors having more opportunities, and people with assets have access to more.

Typically when a franchise partner does well, you encourage them to purchase additional territories so that they own more. As a franchisor this reduces your risk and reduces what it takes to onboard them, as they have already operated the exact same business in a different location so your costs are reduced.

How do franchise networks work?

Most franchise networks are about growth, growth, and more growth. In business, if you aren't growing you are often simply falling behind the competition. So it is important to focus on growth. One of the best practices in a franchising network is to continually report financials and speak about records; this keeps the momentum going and keeps a positive narrative. Often there are competitions for the biggest grossing territory, the most improved, or personal bests.

With a distributed model, most of the franchise locations will have nuances based on the local context but also on the ownership. The key is trying to keep the important parts of quality and brand as consistent as possible. That starts with your owners.

This brings us to franchise recruitment, one of the most important processes within the franchisor's role. When you screen for the best franchise partners, the rest of your work is easy.

No sales process is logical. If we think that a sale is logical and we try to logically convince someone to buy, we have already lost to our competitors. Every sale is emotional. In franchise recruitment processes (called franchise development), the entire process is about emotions, addressing the fear of taking the leap to do the investment, and striking the iron when it is hot. We've heard time and time again about the difficulty of just getting someone to sign.

There are some tried, tested, and true ways to do recruitment out there that franchising is famous for:

- Franchising trade shows. They have them in almost every city and they showcase brands and speak to individuals that are interested in starting their own business.
- Franchise brokers. There are actually entire businesses that actively seek individuals interested in starting their own business that show them the various brands and help them narrow this down. They get referral fees once someone closes the deal and signs up a new franchise partner.
- Franchise directories. These are either newsletters or online portals that

compete as a self-service with franchise brokers. Franchise networks simply pay for the leads as they come in.

- Franchise development websites. These are featured prominently on the brand's website. They often prioritize franchise development over the franchisees getting new leads.
- Franchise development marketing. This looks like a normal marketing plan.

Great. Now you know more about franchising than we did when we first started.

How did we approach it differently?

Franchising is so highly relational and interdependent, it was a unique way for us to apply the win-win mindset very easily. It is a network of businesses that only win if everyone within the entire network wins.

If one of the businesses isn't pulling up their socks and delivering at the level that is expected, it impacts the rest of the businesses and the franchisor negatively. When one business knocks it out of the park, they have now learned new best practices that can be shared with the other businesses for everyone to raise the bar and improve.

When we picked franchise partners, our recruitment process was significantly different from the status quo. This started with calling it "awarding territories" rather than "selling territories." This put the entire model on its head. We focused on the person. We focused on the relationship. We prioritized the fit. This meant the entire process slowed down.

When a new franchisee comes onboard, they are taking one of the biggest leaps of faith in their lives. They have decided to jump one hundred and fifty percent into a new business venture and dive in. They are scared and feel alive at the same time. They are feeling alone and need additional support. We as the franchise network are there to welcome them with open arms, pick them up when they are down, and support them in being successful. Very quickly we realized that it wasn't just about the franchisor, it was about the wider network of successful entrepreneurs that were also willing to support each other.

When we onboard our new national staff (at the franchisor level), we train them to become the biggest and best cheerleaders of the franchise partners. We let them know that every day when they support a franchise partner in online marketing, policies, training, coaching, or just encouragement with a high five, we were supporting them in reaching their own dreams.

Franchising as a business model is naturally win-win, which was a huge advantage in our giant experiment.

III

Into the rabbit hole

9

The edge of the rabbit hole.

We always had a sense that the rabbit hole would be deep.

Working in the charitable and nonprofit sector is a different beast than the for-profit world. Although it is an ecosystem that is designed to make a difference, some characteristics of the industry make it a lot slower and sometimes less able to change.

As charities and nonprofits, we need to ramp up to the pace of business.

Governance is not the only roadblock, but it is a big one preventing us from speeding up. Nonprofits and charities have multiple people on a board that is designed to make decisions. Everything is about crossing our t's and dotting our i's. Decisions are about discernment, double-checking and reducing risk. This means that when you have an idea that you want to try out, you are limited in how fast you can begin. Alternatively, a small business—especially a start-up—can move at the speed of light (or as we call it, "the speed of business").

We had an inkling that when we moved away from the nonprofit and charitable ecosystem there would be much that we didn't know. We knew that things would be forced to move faster. And we braced ourselves to find out what we didn't know.

We were on the edge of the rabbit hole.

The real closing

In reality, the purchase was quite anti-climactic.

Every single detail in a *closing*[84] is a negotiation and something that could cause a hiccup. Up to fifty percent of business acquisitions don't happen due to a single *clause*[85] in the final paperwork or a misunderstanding of the business terms. New information that you get last minute or simple cold feet can completely halt a deal.

In the last month before our closing, there were significant cold feet on both sides. The seller was happy to keep the business as usual, as it was continuing to grow in volume since we had signed the LOI. He had been burnt before and started to question whether we could get it over the finish line. And we were being blocked from having conversations with existing staff, existing franchisees, and the existing vendors to support us in our planning purposes due to the fact that the vendor had cold feet. This meant that when the transfer happened, we would have to work twice as hard and would be entering those first few days in a vacuum. If we didn't have cold feet before, this was enough to give us them on its own.

In the last few days before a transaction of any size, emotions are laden with fear, and that was definitely true for us. People act strangely when they are scared. Think about the process of making a large purchase—from a house to a car to a vacation—you have lots of questions and need more answers to feel comfortable. In the last few days of the sale we ended up getting less information instead of more. This is not a best practice, just what happened to us. We had to shove down any fear and trust that we had done sufficient due diligence and would be able to grow things.

> *"I remember one of our investors texting me all excited about the closing date and reminding me to have some champagne. But it wasn't a go-to reaction. It wasn't the pinnacle. It was the start of a new mountain that we were about to climb."*
>
> *—Carla, CEO*

The founder wished to inform all of his franchise partners that this transaction had occurred, and we then orchestrated a town hall (or "family meeting") to meet everyone and answer any questions.

The founder did a great job of reaching all franchise partners by phone. Each franchise partner had a one on one with the founder, with one member of the coaching team attending these interactions and then texting the other coach for anyone who might require some additional understanding of the impact to them and their businesses. It was a big hug. It was done in a relational way and was designed to reduce stress on all the franchise partners.

Then we had the "family meeting." This was designed for the founder to explain why he was selling and why he believed we were a good fit. The coaches were present and shared their own views. And then the new CEO introduced herself to the team to share some of her experience and background.

During the town hall one of the franchise partners raised their hand and asked the CEO directly, "What is your experience in home care?" Her response: "None at all." The focus in that stage of the business was on marketing and processes, and that is where her strengths lie. A full bio of the new CEO had been shared prior to the meeting as well as an overview of the new owners, including the Victoria franchise partner.

> *"It was such a strange moment to wait and introduce myself after five people spoke before me about how great I was. Having worked in non-profit and charities for the last decade as a business coach, it wasn't a natural thing to own the room. I was the person who told the main decision-maker, founder, owner, executive director what to do and then had to persuade them. I usually had the answers to questions on behalf of my clients, but I wouldn't butt in with them. Now was a time that everyone was turning to me. Really for the first two months, every meeting, every question, every Zoom call was focused on me. Not in a nerve-wracking way. But about authoritative power rather than the persuasive influence that I was used to. The odd thing was that I was never nervous about meeting everyone. I probably should have been as I had no home care, healthcare, or franchise expertise. But as a business*

consultant I had been put into situations needing immediate results in less time and knowing less about the situation."
—Carla, CEO

Part of the plan was to show how things were going to be more supportive on day one. During the Family Meeting, we came prepared to unleash the new intranet that contained all of the company's policies, procedures and forms. These had been housed in an *operations manual*[86] that had been historically sent out as a document upon signing the franchise agreement. Although still available in that format, the *intranet*[87] meant we could change things on the fly and add additional resources easily that might not fit in a stagnate document, such as videos and new training resources.

The room went quiet as a link for the new intranet was shared and people started to dig in. Then there was an invitation for a one on one between the new CEO and every single franchise partner to better understand the lay of the land. The CEO's open online calendar was shared and people started to book one-on-one times with her immediately. In fact, her first session ended up being just three hours later. Both the intranet and the calendar link demonstrated in a single meeting that things would be easy, streamlined, and more efficient. For the business owners, this was going to make a positive impact on their business, even if the CEO didn't have a home care background.

The business coach piped in, "Within two months, you are going to love her."

We could only hope. But hope is just a wish without a plan. Our plan included concrete management pieces we put in place to help with the transition. Here are a few things we did:

- We had a communication plan that was about putting the franchise partners' emotions and fears at the forefront
- We were honest and transparent, even if it was uncomfortable
- We focused on a multitude of different communication tools for clarity and for management of different communication styles
- We had a team with existing relationships in place

- We showed a small win for everyone in the first day
- We focused on relationship building from day one

Ninety days later, the same business coach who had supported over a dozen transitions let us know that it was the most successful transition that she had ever seen.

We believe it is because we put people first every step of the way. Thinking win-win was a key to this smooth transition.

The house of cards

In general, we realized that the hug approach to the transition had been quite effective. In the first two weeks of ownership we had one-on-one meetings with every single franchise partner. People were ready for us to effect changes that they had been asking for, but that had been delayed due to the transfer.

Each call was a chance to listen. We asked a few simple questions each time to glean information that would support our decisions and start to create the corporate culture that we needed.

Question 1: What do you love about Just Like Family? Why did you join it?

We were a social acquisition that was committed to putting people first. We needed to ask this question to understand the motivation and values of the people that were now our business partners.

It was lovely. Almost every single franchise partner immediately spoke about the people they cared for and the impact that they saw in people's lives. They would speak about how when they spoke to other franchise networks when they first looked at buying a franchise, they felt the warmth and the difference of Just Like Family right away.

This was what we needed to hear. It far surpassed our expectations that every single franchise partner felt this way and believed in this. It wasn't something that we would have been able to coach them on or change because it was their value system. We were ecstatic with our starting point and probably would have had a much more difficult first year without this solid team as a foundation.

Question 2: What are your superpowers?

Coming from a charitable background, we had the value set that everyone has strengths no matter what those might be. This question was to draw this out and better understand our franchise partners.

We quickly realized that everyone did in fact have something to offer. Collectively, we had all the answers and skill sets that we needed as a network; we just needed a way to make them work together.

After one third of the one-on-one meetings with franchise partners, we came up with the idea to have advisory teams in marketing, human resources, training, and operations/information technology. With the next two thirds of franchise partners we proposed this idea and received very positive feedback.

We continued this approach throughout all of our interviews. We'd listen, co-brainstorm an idea with the franchise partner who identified a gap or challenge, and then we'd share this idea with the next three franchisees to see if it had legs or was adaptable. By the last third of the franchisee interviews, we were simply validating what we had already heard and sharing our plans and roadmap from a social perspective.

Question 3: What is the biggest challenge?

Easy enough. This is where we would find out the lowest hanging fruit available to make a difference, at least in the franchise partners' perception. This is where we would need to expedite spending or at least show that we were in the process of learning, even if we didn't have the answer.

> *"Being a business coach for fifteen years, I knew that oftentimes what people think that they need versus what they [actually] need is very different. For example, most small business owners believe that they have*

> *a problem with their closing. But where they often are dropping the ball is in the* sales funnel[88] *parts that come way before the closing. I remember one client that I worked with that was a marketing company. They were asking me for support in their closing, but when we reviewed their sales funnel we realized that they hadn't been reaching out to prospective customers. Ironically, they weren't doing their own marketing to get awareness of their business to get to the closing stage!"*
> *—Carla, CEO*

Asking our franchise partners what they perceived as the biggest challenge, but then still actively listening to what other challenges that they were having, was going to help identify where the true changes and investments could be made.

We would implement the changes that were being sought after quickly to support positive momentum, and we would also be implementing the changes that were needed for sustainable growth and future opportunities at the same time.

Question 4: What do you do in marketing? What is working?

The last three questions were more tactical. We were seeing first-hand what some of the franchise partners were concerned about and were being jittery about.

The number one thing was the website. Heaven knows it had room for improvement.

Franchise partners had been creating their own websites to avoid using the main website in their online advertising. In franchising this is bad news. You don't want multiple websites fighting against each other on search engines and you don't want there to be different branding or flow for different websites. As a network, we should be learning and then implementing best practices. We needed to fix the website to get conformance to the brand.

The conversations were fantastic. Some franchise partners professed to be amazing at marketing, others had tons of ideas, and many were excited about the new ownership and the changes that we might make. Some franchise partners didn't have a clue about marketing and found it to be an upward battle. Others simply didn't think they were doing any marketing and that magically customers were coming to them through word of mouth.

Question 5: How do you handle recruitment?

Recruitment is something that has been a hot topic within healthcare for over a decade. Especially with COVID-19 and essential workers being bombarded with job openings, there was a significant need at Just Like Family for new staff to enter the workforce.[89]

Some of our franchise partners had new ways to do recruitment, some were still struggling, and some were even having a hard time landing new business as they were worried that they wouldn't be able to staff the new clients that they landed. Something needed to be put into place to support those who were struggling.

Question 6: How do you handle retention?

Arguably it is more important to retain than to recruit. Here is where we saw convergence of the answers – which was another positive sign for us. Caregivers seemed to like working for our franchise partners better than for the competition. The people-first approach and authenticity were already showing up in our network and the ripple effect to our employees was evident. This was another exciting moment for us.

Question 7: What else should we know?

The audacity of thinking we knew everything was one problem we did not have. In fact, coming into the franchise network actively assuming and professing that we knew nothing was probably one of the best (unintentional) things that we did.

We were able to ask questions and actively listen without any assumptions or preconceptions. And we included space and time for people to expand our thinking with this final question.

What else did we learn by asking this question?

- Everyone was using information technology and business processes slightly differently. Two different back-office software programs were being used. We needed everyone on the same platform to streamline things. This change would improve our ability to provide consistent quality of service and follow best practices.
- People deeply cared about the "family feel" of Just Like Family. The culture was there and had room to grow.

The fantastic news was that our deck of cards was full of characters. We had our queens, our jacks, our aces, and our jokers throughout the network. At the end of two weeks, when we had interviewed and interacted with every single franchise partner, we came to one conclusion. They all deeply cared about making a difference in people's lives. We had good bones with which to start building a new foundation for growth.

Question 8: Any questions for me?

> *"The question about my lack of home care experience was never asked again. It didn't seem important to them once I asked all these questions. We simply had great and open conversations. I was there to understand their concerns. And then suggested different ways that we could address what I was hearing."*
>
> *—Carla, CEO*

Change management was key in those first days. Some practices we lived out were:

- Being human and admitting what we didn't know
- Taking the time to get to know everyone as relationships are formed at

the speed of trust

- Listening first
- Repeating what we had heard for clarity
- Receiving feedback
- Acting on what was heard

The changing of the guard

The challenge in an acquisition of a business is that whether you like it or not, the existing set-up won't always fit the direction of the future business.

Why not?

Reason #1: Getting ready for the sale

You might be at a different stage of business than the previous owner was. Often this happens as the seller is preparing the business for an acquisition. A seller makes more money if their *expenses*[90] are low and their *revenues*[91] are high, as many forms of business *valuation*[92] are based on *EBITDA.*[93]

Paying employees on a performance-based metric, giving raises or promotions, forming strategic partnerships with long term agreements, and investing in future growth will all reduce the payment that a business will receive upon selling. The motivation to do any of these things is removed. By the time that we bought the business, they had been speaking about a new website for almost six months and had started to gather information from vendors, but were nowhere close to deciding what direction to take.

Reason #2: New strategy

It is a rare day that a new business owner takes over a business without some aspirations for growth. For us to get the investors onboard for the acquisition, we had drafted up a business plan with three different methods for growth.

Each strategy had an approach that would require further investments with partners or team members. Each strategy would take some time to explore, and each avenue was significantly different from the current direction that the organization was headed.

Reason #3: New culture

No matter how much you try to keep the existing culture, something is going to change with new ownership. Especially in small business, the owners exude the *corporate culture*[94] that will form around them.

For us, the main new culture was a relational approach. For example, we reached out to all our suppliers to learn better about how things had worked in the past and what wasn't working. We expressed to them all that we wished to move from a transactional interaction to more of a long-term relationship.

> *"Reaching out to the existing suppliers could only be described as hysterical. I remember emailing one of them who couldn't understand why I'd want to have a phone call with them. Another supplier didn't even have a phone number where I could reach them. One supplier even tried to cancel the service they were providing two weeks in as the old credit card number had been cancelled and they didn't believe we would pay them. Trying to navigate and piece together which suppliers were a fit and where we needed to find new ones was quite a ride all by itself."*
> *—Carla, CEO*

In the beginning not a single supplier thought of themselves as a partner. Most of them had never met each other or had a phone conversation with the organization before; why would they trust us?

Reason #4: People don't like change

Putting people first didn't mean that we were going to please everyone. In fact, putting people first often means that it won't work for everyone.

The way that the founder had grown the business, built the culture of the business, and then exited the business was going to be the normal way of operation for the existing team and suppliers. The changes that we were going to put in place were not going to fit everyone, and that was a growing pain that we were going to have to face.

10

The sum is greater than its parts.

We knew from the get-go that we were on to something and that this was a giant experiment that was going to reveal new ways to create impact as we grew and learned. For each of the seven areas of impact that we created, there were aspects that we were able to anticipate, as well as aspects that we did not anticipate until over eighteen months into running this business.. We'll unpack both in this chapter.

Impacts we knew about (the giant experiment)

Below are the seven impact areas of our giant experiment as we anticipated them from the beginning.

Impact #1: Direct equity was part of impact investing

We believed that direct equity as an impact investment was an important part of the social finance continuum. But raising equity as an impact investment tool wasn't something that people were talking about. In Canada, there were no impact investors speaking about debt, including foundations, community foundations, and governments. Most *CDFIs*[95] in the States were loan-based as well, with little equity-based investments.[96]

By raising equity with impact investors, specifically with charities as accredited impact investors, we proved that this was possible. Since doing this acquisition, we are now speaking to other social entrepreneurs who are thinking similarly.

Impact #2: Social acquisitions had quicker scalable impact

We knew that social enterprises have a scaling challenge, and that social acquisition was worth exploring to overcome some of those barriers. We believed that to get a social enterprise through seed funding and sustainability to a place where it was ready to scale had too many barriers to have the impact that is needed today.

Most of the largest charities are decades old, which is how they have reached the scale and impact that they have. By contrast, in our first twelve months we increased our impact by over thirty-five percent from when we had first purchased the business in terms of the number of staff and seniors we supported.

Impact #3: New ownership and governance models of social enterprises

We knew that it was legal for a charity to own a for-profit business if it was arm's length when it came to direction and control. We had seen this in the creation of Kindred Works, a for-profit development corporation owned by a charity.[97] We saw this in working with other social enterprises like Buy Social Canada, Furniture Bank, Blood Services, ReStore, and GreenShield.[98]

But we created a whole new for-profit social enterprise with the ownership being shared among multiple charities and impact investors. One group doesn't have to own everything!

Impact #4: Social capital works

We believed that social enterprises had the potential for a competitive business advantage by leveraging their network and connections to grow faster and more sustainably. The Victoria franchise had grown quickly as it was owned by a charity and had one hundred champions in the community from the first day of operation. A business starting from scratch would take at least five years to garner the social capital that a social enterprise can grow in weeks.

We saw that we could expand that understanding and find new ways to partner and build a network of champions. We continue to find unique partnerships and relationships that are made easier because we are a social enterprise.

Impact #5: Seniors' quality of living

The home care industry itself contained opportunities for us to make significant direct impacts. The interdependence of individuals being cared for, their families caring for them, and Just Like Family as a blended care offering was a different way of providing home care. We were (and continue to be) focused on supporting those who are thriving in place, not simply surviving. Doing the things that people love for longer makes a difference. But home care businesses simply weren't thinking this way. By thinking about home care differently, we believed that we would be able to raise the bar of home care quality across North America, and this became our vision.

We have worked with multiple non-profit and cooperatively-run home care providers, finding ways to advocate and support each other.

Impact #6: Family members' peace of mind

For-profit organizations always speak about their target market. Nonprofits and charities don't speak about a target market, they speak about their *stakeholders.*[99] They have a wider understanding of who they are serving and who they are communicating with. It isn't just the individuals that they serve;

it is the volunteers, the donors, partners of organizational donors, advocates, and even the entire local community.

As a social enterprise, we focused on the stakeholders rather than the target market (even the words "target market" sound aggressive). We changed this to a more holistic view of who was impacted by the home care support that we provide. We realized that we were making an impact in the families' lives as much as in the life of the person who we supported directly.

Daughters could be daughters, sons could be sons, and spouses could be spouses again. The additional support of loved ones had ripple effects on the entire family unit!

Impact #7: Better quality jobs for caregivers

Seeing people and knowing their story has an incredible impact on someone. In the care sector caregivers are often taken for granted. We knew that having amazing franchise partners who drove their caregivers to work, hosted appreciation events, and provided thank yous, plus having clients who treasured their relationship with their caregivers, could have massive ripple effects.

Speaking about and encouraging living wages and health spending accounts mattered. But so did having an organization that cared about you. This type of organization could genuinely make a difference in the lives of our caregivers as much as in the lives of our clients and franchise partners.

Impacts we didn't know about (into the rabbit hole)

A rabbit hole from the outside looks like any other hole in the ground. Often the entrance isn't even that noticeable and it could be between rocks, a pile of wood, or the root of a tree. In fact, just by looking at it you can identify that it is a hole, but you don't fully appreciate that it is an entire home and network of holes to keep the rabbit safe. This is the rabbit's den, which is so much more than a hole. If you could enter the hole, learn all the passageways, and get into the den, then you would understand how complex it really is.

This metaphor applies to each of the impacts we just described, because in each instance recognition of the impact was simply the entrance to the rabbit hole.

Impact #1: Direct equity was part of impact investing

We simply didn't understand the profound relationship that comes from equity versus debt. People are just different when they are moved from being owed money by you to being invested *with* you on something.

> *"I'll never forget when I took a road trip to visit one of our investors in Cleveland, Ohio. It is about a five hour drive from Toronto and I travelled on a rainy day that turned ugly. On my drive home, three of our (equity) investors called me to see if I was okay. How many lenders know the travel plans of management staff? And how many would bother to see that they have travelled home safely? With debt, they know they are secured and will get paid back no matter what happens to the people involved. In equity, that security isn't there. And more importantly, many equity investments are investing in the people running the business. Equity as an impact investment literally flips what relationships look like when financing a company."*
>
> *—Carla, CEO*

Throughout this journey, we had the opportunity to speak to many other impact investors and people thinking as big (and often bigger) than we were. In one of these conversations with Acumen, a huge internationally renowned impact investor, we discovered that the shift from debt to equity was new but not completely unique. The shift had been happening quite dramatically over the last five years prior to our social acquisition. Historically the allocation of funding was eighty percent debt impact investments, and it had switched almost entirely in the other direction to eighty percent equity investments.[100]

One thing about innovation is that it doesn't happen in a vacuum, and when the timing is right for the innovation there are often multiple people discovering the same thing at the same time. This shows up time and time again when you look at the history books. There were multiple people tinkering on the first telephone, but Alexander Graham Bell won out with his patent by just a fraction. It wasn't just the Wright brothers that discovered flying by themselves; it was many people experimenting in different ways with the technologies that were available at the time. The same can be said for equity as an impact investment. When multiple people are seeing the patterns and possibilities at the same time, perhaps that means that that timing is right.

Once we were in the rabbit hole, we continued to delight in the new co-conspirators that we hadn't been aware of before we had jumped in with two feet. SE Health is a fantastic Canadian example of a charity creating a social enterprise and financial sustainability around home care, and then leveraging their proceeds to purchase additional businesses as social acquisitions under their investment portfolio.[101]

We didn't know that sharing our story would lead others to quickly respond. Within the first three months we gathered a group of over twenty charities that wanted to discuss what else was possible together.

Within the first year we were approached by nine *private equity firms*[102] that wished to expand into the home care field. Two of them explained that they had a social lens and wished to make a difference in the home care industry. Again, this is another example of us being on to something at the same time as others.

The big ripple effect was that our *dividends*[103] and our forecasted returns were fostering new strategic conversations with the three charities that had invested. There will be many more ripple effects to come, many of which we will never even hear about directly.

Impact #2: Social acquisitions had scalable impact quicker

We knew scaling was a challenge for social enterprises, but we hadn't formally separated the idea of scaling a social enterprise from the scale of the impact of beginning at a larger size.

Entering the marketplace as a large social enterprise with a unique ownership structure that had never been really heard of in Canada allowed us to speak to many parties with whom we normally would not have communications:

- A vice president at one of Canada's largest banks had a one-on-one sit-down with us to better understand our business and what we were up to. They spent resources to connect us to other services within their organization that could support us better
- We were invited to be a speaker at the Canadian Franchise Association's national conference, where we led a conversation called "Doing Business and Doing Good." Imagine speaking at a national event like that within the first year of learning anything about franchising!
- We worked with advocacy teams for home care and small businesses under CFIB (Canadian Federation of Independent Businesses)

The bonus is that we were still invited to communicate with nonprofits. Being invited to for-profit tables allowed us to start some important bridging work between the two sectors.

Next, what we bought mattered. We saw quickly that we had a tremendous buying power that could extend beyond our existing suppliers to include who we hired, who we contracted with, and how we lived out our business values. We had to keep in touch with existing organizations to support them in thinking further and bigger. Selecting local suppliers was important. We are now exploring partners that are more environmentally friendly and have a social lens.

Impact #3: New ownership and governance models of social enterprises

Being a franchisor with a financially sustainable and growing franchise network is a whole new ballgame. The decisions around awarding territories are strictly in your hands, and that decision-making power can be used for good.

We had the possibility to completely overturn what ownership structures looked like, not only at the franchisor level but at the franchisee level.

The way we recruited franchise partners would result in different franchise partners. By deciding not to go to franchise development trade shows, we found a different type of person. By working with referral partners that were rooted in community, we had a different type of relationship with our potential recruits from day one. We quickly understood that we would have more diverse ownership based on how and where we were doing our engagement.

At the same time, updating our recruitment policy meant looking for a different type of franchise partner and changed to whom we awarded franchises. Prioritizing heart, grit, and alignment with our values turned up people who were a fit with our culture. We were committed to training technical and business skills, but we couldn't train someone how to care. We recognized that this could possibly become a capacity issue with the skills that we were going to have to provide additional support for, but if we were committed to a different type of ownership and more diversity, it was important to understand how we could ensure this new ownership would be successful.

> *"When we show up for ourselves and for others, our hard work is only hard because we are changing people's mindsets and realigning them with business owners' values. This is where the grit comes in. You have to have grit especially when people look at you like you must not know what you're talking about because it's too good to be true. The grit is your persistence to show them the evidence of how this works."*
>
> *—Alana, Operations Manager*

One ownership structure that we are still expanding upon is our franchise territories being owned or co-owned by charities and nonprofits. If our franchisor is owned by impact investors, and this opportunity was discovered by a charity that owned a franchise territory, we could replicate this *ownership structure.*[104] What could we further learn to expand this thinking?

This approach to doing ownership structures differently has changed our interaction with our partners, with nonprofits and charities, and even with universities and colleges that are intrigued with the potential *systemic changes*[105] of our experiment.

Impact #4: Social capital works

In our opinion, in small business the most sustainable businesses are the ones that create a network of over one hundred champions. These are your brand champions as well as your retained customer base! When a nonprofit or charity purchases a business, the social capital is already there. It often takes a for-profit start-up five years or more to gain that type of connection, whereas it is almost instantaneous for a social enterprise.

For us as a social acquisition, we very quickly realized that partnerships were a competitive advantage. We had no idea the government model of being fifty percent owned by charities as a for-profit would give us the nimbleness, credibility and values that would lead to long-term growth and stability.

When we speak about our "people first" approach, other people want to work with us. It is an attractive attribute, and with the change in the business landscape it is becoming increasingly appealing.

But we didn't realize the scale of this approach, or how many larger organizations and businesses would be swayed by this compelling story:

- We will be the first for-profit social enterprise listed on government directories
- Large nonprofits saw synergies in our vision and values. Our *equitable ownership models*[106] and experiments for systemic change is a way to do the same good work differently

Finding alignment in our partnership conversations first and never approaching with an agenda is something that our entire team is learning to do. As we gain confidence in our approach, we are more convinced that holding to our "why" and our values in every conversation is supporting that change to a win-win approach.

Impact #5: Seniors' quality of living

It was fantastic that we knew nothing.

> *"I thought that how we treated seniors with dignity and respect was normal. Only a year later and [I'm] finding out that our competition doesn't pick up the phone, only fills shifts, and still doesn't show up. If I had known that was the bar, I might have not believed it. By not thinking that that was the bar to reach, I'm convinced that we simply reached for a higher bar that we have now reached."*
>
> *—Carla, CEO*

Every week our franchise partners surprise and delight their clients.

One of our team members hosted a surprise party for their client with dementia. Fourteen of her friends showed up to surprise her with cake and balloons, and smiles were flowing everywhere.

Another team member always likes to ask during his in-home assessments where the client fought during World War II, and he professes that he is now a WWII expert. The stories that he hears about their lives back then and how they overcame things is always inspiring and brings them right back to those times. It also provides him insight into things that they love and hold dear, so that he can add that to the care plans and really overachieve.

Another staff person has started storytime. Every single day for the last three years they read a single chapter in a book online while eight to twenty clients attend. Sure, it is the story they come back for. But they always have a joke of the day and can check in with each other. One of the attendees is now 106 years old and they had an online birthday party for her.

We have realized that not only are we going above and beyond, but our franchise partners go above and beyond to find ways that they can continue to get even better. When we have calls together, they often share stories of the impact that they are making in families and their loved ones' lives.

Impact #6: Family members' peace of mind

Doing an in-home assessment for a home care company is a requirement to ensure the health and safety of the workplace. Many home care companies treat it like it is a marketing tactic and a free thing to be offering. However, it does make us wonder if people think it is a marketing *tactic*[107] rather than something they should or must do.

Alternatively, we have used it as a huge opportunity to add value to families even when they may never engage with us again. Because we are a for-profit owned by charities, we were able to create a theory of change that guides our activities and how we measure outcomes and outputs. Our guiding light is to change the narrative around aging and we believe that raising the bar of home care is an integral ingredient of doing this. Therefore we treat our in-home care assessments differently. They are an opportunity to do a fall prevention assessment, we can support family members in the conversation with their loved ones about accepting and asking for additional support, and we are able to be a navigator of other resources that will be a wraparound and hug for them throughout the aging journey.

How do we do all of that without even sending an invoice or signing a contract? Well, we simply treat everyone that we interact with from the get-go as one of our customers already.

> *"When speaking to Toronto's Community Health Manager about her work, she simply shrugged and told me that she just assumes that everyone is already her customer and treats them accordingly. She said to me once, 'I'll treat them like my customer until I'm told otherwise.' I'm assuming she meant when the potential client told her otherwise, but in case she was referring to me... I've stayed quiet ever since."*

—Carla, CEO

When we first had our monthly provincial calls with our franchise partners, it was all about the numbers. We celebrated who had made the most amount of money each month and who had grown the most. We still talk about numbers, but it is no longer the first thing. Culture flows from practices and rituals, and what gets measured gets done. Accordingly, we speak about the impacts that we have made on families and their loved ones. It is what we emphasize and what we celebrate. It affects who we attract and retain.

You can imagine that a team of aging navigators that puts people first in every step of its business model would create peace of mind for a family. We are unapologetically human.

Impact #7: Better quality jobs for caregivers

Who you work with matters. Why they are working with you matters more.

We have continued to attract the type of people who wish to make a difference in the world. When they first become part of the team, they often doubt that we could possibly be authentic in what we profess to believe in.

Our first two full-time hires both expressed that it was the best interview process that they had ever been through. We drilled into their values and motivation, and we in turn shared with them our answers to the same questions so that they would have a feel for the team.

The first full-time opening garnered 100 resumes for the position, and we quickly interviewed twelve of the people and followed up further with four. We hired them on a Friday because we didn't want to let the weekend go without them having the offer in their hands.

The second full-time opening garnered 300 resumes for the position. We had become more unapologetically human in our approach and values. Confidence in a win-win way of thinking was attractive to the type of person that we wanted on our team. Again, we spoke with twelve people right away, two rose to the top, and we made the offer on a Friday. The team made the decision based on values and an alignment of the "why."

"Why should we hire you? What can you bring to the company? These questions are the most common interview questions that one should prepare for. Before my interview with Just Like Family Home Care, I went through the answers in my head over and over again. And surprisingly, none of those questions were asked in the interview; instead they asked me this: 'Imagine you are at your 80th birthday, what do you want to say to your friends and family?' I had never been asked this question in my whole life, not to mention during an interview. The whole conversation with Alana during the 'interview' is like talking to a friend; we were open, honest, and vulnerable in the conservation, we got to know each other's values, our thoughts on different matters, and our motivations in life. I remember Alana said that it feels like we have known each other for three years after the talk, [and] I felt the same.

There was this instant connection with them during the conversation, as there was a mutual understanding of each other's values. I feel like they are trying to get to know ME, not just my professional background or what I bring to the table. This is special, I thought, and I am truly excited if I can be part of the team at Just Like Family, knowing that I will be collaborating with like-minded people towards the common goal. Four days after the interview, my journey with Just Like Family began.

Why Just Like Family? If you are spending eight hours a day on something until you retire, what do you want to use your time on? If I am going to work eight hours a day till [I am] sixty years old, that's 70,560 hours! I would love to use the time on doing something that is meaningful. Like how Disney calls their staff 'imagineers.' They are in charge of dreaming, designing, and building Disney theme parks to bring a dream-like experience to visitors. At Just Like Family, we use our area of expertise to help others to achieve their dreams. We are like dream catchers for those who are brave [enough] to step up and go for their dreams. And we are also making a difference in people's lives and in society.

As a marketer, the fun part is we are constantly inspired by the creative, new, emerging technologies and ideas from others. But before getting

> *into this part, there were the guidelines, templates, procedures, and testing. It isn't a quick solution. An important note for reaching a dream is that it takes time. Small steps and actions taken can make a difference over time. We can keep on learning along the way.*
>
> *It has been nine months since I started this journey at Just Like Family, and my excitement only grows. I am thrilled to contribute to something meaningful, making a difference and looking forward to the future that lies ahead."*
>
> *—Stephanie, Marketing*

We have rolled out the practice of understanding people's stories and their personal motivations as early as possible. We have designed questions and trained our franchise partners to have full clarity on why and how they are asking values questions. By starting with this basis, we expect our caregivers to reach for a high bar from day one. We want people who are committed to the vision and mission and people who are open to be part of an organization that genuinely cares about them.

Our franchise partners all have stories of driving caregivers to shifts, knowing our caregivers' birthdays, giving positive feedback, and standing up for them. They worry about the client-caregiver fit for the caregivers as much as for the clients. They create work-life balance for the caregivers, ensure a safe environment, implement policies and processes to improve safety, and offer professional development and growth opportunities.

When we came in, we launched an appreciation program called The Notables. This is based on the premise that a care organization can recognize that their caregivers have gone above and beyond through their care notes. Yes, our franchise partners and their staff review all care notes every single day. But the nominations that we get each month from our staff could never have been attained through care notes alone. The nominations come from the deep relationships franchise partners have with their staff and their genuine understanding of how the caregivers have gone above and beyond.

If we were just filling shifts, none of this would be possible. It is a small thing that ends up being huge.

What we hope….

When someone does the impossible, it becomes possible to others. There are no more excuses that it is impossible, that no one has done it before, that people can't understand it, or any other placating barrier to thinking differently. When someone does the impossible, it is no longer impossible to anyone.

That is the story that we are telling. That is the unexpected impact we are starting to expect.

> *"I remember when Carla first reached out to me to discuss the possible acquisition of a home care franchise. Going through the challenge of caring for aging parents, I was only too aware of how important finding good support is. I knew there were various home care organizations out there, some national and many that are regional, some for-profit and some not-for-profit, but there was no consistency in terms of offerings or their values. I was curious to learn more about Just Like Family (JLF) and how exactly it was going to change the home care landscape.*
>
> *From the start JLF worked with charities to participate as shareholders in the company. This indicated that the company was focused on similar values of compassion, caring and empathy. I appreciated that charities wanted to invest in JLF because they also believed in the model of JLF and what [a] difference it is and can make in providing home care services. The alignment between the company and its investing shareholders is so important to ensure current and future decisions remain focused on its shared core values. And what a breakthrough for these organizations, to invest directly in a company they believe in, versus putting their monies in funds and other investments where they don't know exactly how they are being used.*
>
> *Secondly, JLF as a franchisor has a different way of attracting new franchise partners. Right from the beginning of the discovery process, understanding what is important to the potential franchise partner and what their goals are is uncovered to ensure alignment to the company's*

values and vision. Wanting to make a difference and providing a holistic approach to home care is the foundation of what JLF is about, and it is important for each of its franchise partners to share in that common goal. And when this is done well, success is achieved, but not just success measured by the bottom line, also success in making a difference in each community where JLF has a presence, including providing sustainable work for caregivers in a company that really cares not only about its clients but also its staff. In addition, the JLF way extends beyond its clients and caregivers and goes out to the community where partnerships and relationships with organizations are developed who also share similar values of compassion, caring and empathy for not only the aging but all who require home care.

As the national business coach working with the home office team and the franchise partners individually, I am privileged to help build the bridges between today and tomorrow. Starting with pushing through preconceived barriers around what a company can do, the difference it can make, and how success can be measured to providing training and support to map out a plan focused on increasing each franchise partner's success. Always respecting the importance of getting out into the communities, attracting and retaining clients [and] caregivers, and developing partnerships with organizations who appreciate working with a company that truly cares about people and making a difference."

—Eloise, National Team

11

The first ninety days.

Arguably the first ninety days for new leadership are some of the most critical days to establish how you are going to lead, and more importantly, if you are someone that is worth following.

But it is a vicious circle...

You don't know enough to make changes.

You don't have the trust to make changes.

If you don't make changes, you won't earn their trust.

If you don't earn their trust, you won't be around long enough to know what changes to make.

So what is a good leader to do? Here's what worked for us.

The team

You can't teach caring.

The first two weeks left us with a sense that there was a foundational "why" for our franchise partners and our staff. Caring about the "why" meant a few things automatically for us.

Accountability

When people care about things and are motivated by them, they are going to do what they say. When things aren't working out, they will automatically take ownership to fix it.[108]

Values alignment

The alignment of business values and individual values reduces conflict. When you are a people-first business, this most likely means that you have to work with people. People and communities are inherently messy, so conflict is inevitable.

However, when you have values aligned to your shared "why," you don't have an irreparable barrier to working through the conflict. You have a rallying point that you have shared agreement on that enables you to overcome technical differences.

This continues to be pivotal in a growing network of people.

Commitment

Our team was invested. They wanted to be a part of decisions. Again, when motivation is tied to your personal "why," you will be accountable to fix things when they go wrong. Commitment is also moving in a positive direction when things go right.

These were three tenets of the team that we were ecstatic about.

Validation: Did we hear what we needed to hear?

Beyond the clear sense of "why," we had a clear sense of:

- The *low-hanging fruit*[109]
- The parts of marketing and recruitment that were barriers (perceived and

otherwise)

- The major decisions that needed to be made over the next six months

Instead of implementing those things immediately, we recognized that we would need to do more socialization and change management prior to making an investment. We received a lot of initial feedback through our interviews, and we continued to test our ideas and assumptions in every phone call that we were having.

> *"Picking up the phone was critical. No matter who it was, what they were concerned about, or when it was, I always picked up the phone. In fact, in the first six months, the 1800 number only went to me 24/7. I received customer inquiries, caregiver inquiries, complaints, and everything under the sun. This was about trust-building and accountability. I wasn't going to ask someone to do something that I wasn't willing to do myself."*
>
> *—Carla, CEO*

At the end of the first thirty days, we had spoken to everyone. We found that most of the comments fell into five categories: values, website and marketing, human resources, training, and operations and business tools.

Advisory Teams

The next thirty days were about taking all the decisions that had been highlighted under the four categories and getting the experts—the advisory teams that everyone had agreed upon—to make the decisions that needed to be made.

The national team worked hard to gather the information that would be necessary to have one-hour decision-making discussions with the franchise partners that had been identified to have a skill set in each specific area. The thought was that if the most knowledgeable franchise partners around business processes helped steer decisions about information technology and business processes, the results would be more acceptable.

Website and Marketing

Two franchise partners switched advisory boards and both wished to come to the marketing advisory team. Obviously, we had a full house on this committee based on how important marketing felt to all of our franchisees. In a single hour we approved the need for a refreshed website and brand-cohesive social media content.

The website rehaul was the number one thing that the franchise partners agreed upon. And we were with them. It made it easy to have something to complain about collectively to rally us all together. Unfortunately, we didn't know enough about the suppliers and franchising to do a complete overhaul in the first few months, so we committed to an immediate refresh instead. We were moving the needle, but giving ourselves some space for a heftier investment soon.

Operations and Business Tools

In the medical industry, there were a lot of conversations surrounding health care and technology. But home care technology was not really a conversation that was happening.

Home care has been following legacy business practices for years. At the time of acquisition, many home care businesses are found to still be using binders in people's homes for care notes and for tracking staffing. This is a tedious process that is open to data privacy issues. It also causes additional travel and time to verify shifts, update care plans, and ensure privacy legislation and compliance in communication with the staff and the office.

The operations advisory team had a vast number of franchise partners with a myriad of business backgrounds. They were interested in making decisions that would optimize our individual businesses, but also understood that there were some common systems that we would need to make for our scale.

In less than twenty minutes, we reviewed the back office options and decided to choose the one which only four franchise partners were using. This would mean literally thousands of hours would need to be committed to structuring this back office system to start to create our sustainable competitive advantage as a network.

Human Resources

Human resources (HR) wasn't as straightforward as the other areas.

As a people-first business, we needed to have more HR for our staff and a high level of support of the franchise partners. This was an area that was not as clear cut as marketing issues (the website was bad and an easy enemy for us to rally against), but it was something that we could investigate.

There was a list of policies, supports, and challenges that were being faced. Each franchise partner was able to articulate the last time they had a question or challenge, but there wasn't a cohesiveness to the outcomes or the process.

Our outcome was to list the challenges and create a prioritized list of which ones to allocate resources to and investigate. This was a starting point.

Training

Franchise partners were approaching onboarding and training of their staff in very different ways. In franchising, it is very clear that employees are not the franchisor's employees and that there is a divide in training that needs to be in place. The employers need to be the ones to manage the training programs.

We decided to research learning management systems that could support our network. It was a great task for us to do centrally; meanwhile, it was something that could continue to be managed locally.

The first advisory boards were a huge success. Everyone felt heard. There were decisions or a direction on each part.

Values

On this advisory board, we validated that values were consistent across the organization. We were told that this action built trust; what we later identified is that many of our franchise partners didn't know each other prior to this. Our validation of the shared values was the beginning of trust with us, but also with each other. Later in the year we rolled out "upgrade training" that re-taught the existing franchise partners how to pick up the phone in the "Just Like Family" way. We rolled out a significant amount of upgrade training to ensure consistency of quality service across the country, which was integral to the brand. When a franchise partner in Vancouver realizes that the franchise partner in Burlington also cares about making an impact in a loved one's life, it changes the relationships and the dynamics of the organization.

We ended up having the boards of advisors meet every quarter. They were always presented with the latest questions for feedback and advice. It was always the most qualified people on the subject who were part of the conversation. The franchise network trusted this.

The roadmap

Just over fifty days after acquisition, we called another Family Meeting and announced the decisions that had been made through the advisory boards. We took any questions and were able to transparently explain how discussions occurred for each advisory board. As there were representatives from each advisory board, we continued to build our street credibility as they could see their conversation represented in what we reported back. This allowed them to trust the reporting back from other advisory teams.

> *"We almost did it perfectly! I remember seeing head nods at the Family Meeting and qualifying questions rather than anyone disagreeing. Then the day after the Family Meeting one of the franchise partners called. I remember her saying to me, 'This is your vision, not my vision. I just need to understand your vision for this.' My response: 'This isn't my*

> *vision. This is our vision. Do you believe in the vision that you just heard?' Not surprisingly she said, 'Well yes, but maybe you should have spoken to people about it.' Just another gentle reminder that there is no such thing as over-communicating."*
>
> *—Carla, CEO*

Two days later we signed nine new agreements with vendors to roll out all the things that we had heard. We can't tell you everything – we are a for-profit with some secrets. But yes, we signed:

- A website refresh contract
- A social media contract
- An HR helpline contract
- A learning management system contract
- A multi-year strategic partnership with our back office software

From day sixty to day ninety we planned the rollout of all the new pieces. Everything was based on movement by month and there was a person highlighted as the lead for responsibility for each piece.

Here is what we tackled:

- The website had an immediate refresh with us de-prioritizing franchise development and really focusing on the growth of our franchise partners. This included new copy, new images, local customization, and reactivating the blog
- We had weekly posts for social media sent out to every franchise partner every single morning. Anyone who didn't have social media or know how to post it, we coached them on how to get this started up
- A common back office software was selected and the multi-year contract got us on the radar of more senior staff. We spent hundreds of hours customizing our settings and created unique processes surrounding our communication, care notes, and care plans. We have since spent thousands of hours to roll this out effectively with all of our franchise

partners. Three quarters of our locations or more now use the central back office software

- The HR call centre has been a huge support for all of our franchise network. Our first year saw one phone call per week to this vendor for support. We now use this organization's training for cyber security for all new franchise partners to further protect our clients' information
- We have rolled out the learning management system that everyone was skeptical about at first. A year later we have doubled our usage and are actively leveraging our integrated learning management system with our back office as a competitive advantage

We listened, we verified, we acted. We gained trust.

12

If it was easy everyone would do it.

Ha! You thought that this was a happy ending and that all was good in the world.

We have just been showing you a single plot line of the franchisor and the first acquisition that we orchestrated and then got our feet under.

As the chapter indicates, this was not easy. Every single week we had what we began to call the "insurmountable challenge of the week." Even as we write this book, every week is showing us new challenges and opportunities, and we are grateful that we have decided that the cutoff for this book is the first twelve months of ownership.

But difficult situations that impact people don't always destroy them. Oftentimes, difficult situations create resilience in people. We like to think that that was what was happening. Challenges have just made us stronger and ready for the next challenge.

But fifty days in...we received a phone call right after 8 A.M.

The second social acquisition

One of our largest franchise partners wanted out.

They had bought the franchise as an investment. They never intended to run the business for too long, and with our social acquisition they thought the timing was right to leave. They had achieved their revenue targets, brought on new staff, and could see that they had created enough value that they could sell. Add to that the fact that we were the new franchisor and would be a likely buyer.

Remember that people don't like change. It is a natural thing for people to opt out during a time of change. In the short term this often will feel unexpected and overwhelming, but in the long term they are usually right to leave.

For us, we were only fifty days in. This was the short term! You can imagine our shock and utter surprise. We had just completed the first social acquisition through a coalition of charities in the country. And fifty days after the official close, we were being asked to purchase a second company. Yikes!

The speed of business is so much faster than the speed of nonprofits and charities that it really shouldn't even be compared. Sales of new franchisees and sales of existing franchisees to other franchisees or new owners is quite common. For this company in particular, they had literally sold one franchisee in 2018, then seven, then ten, then eleven. It was nothing for them to close a deal, and at the same time there were sales amongst the franchisees. Franchise networks have this natural attrition, and good franchisors look at this change as an opportunity to improve their franchise networks. Any franchisor should anticipate a rate of ten to fifteen turnovers in their franchise ownership in a given year (if it was lower than that, that would mean that the average franchisee owns a territory for longer than ten years).

Just because it shocked us didn't mean it wasn't normal.

The franchise agreement had a clause that the franchisor had a right of first refusal to repurchase any of the existing franchises. And our franchise partner had the core "why," the same values around care and making an impact. So we leaned in and started due diligence all over again.

Delay tactics

We were overwhelmed and just barely treading water. We had just accomplished something that we'd been told was impossible. And now we were facing the possibility of a second acquisition.

The obvious answer would have been "no."

We weren't in a rush. We had already taken a huge leap and we didn't need to do something else to disrupt the possibilities that we already had before us, like the social enterprise that is concerned about how scale will impact the existing business.

At first we ignored it. The board wasn't over the moon excited about exploring something new. There is often a statement at business schools in which they speak about management capacity and how important that is. And it is! You can't navigate all of the newest things in multiple places.

But the board also recognized the need to consider this against all odds. The social justice lens of a single individual owning the size and scale of the business territory that was available was going to be detrimental to the growth of the region, and if it was under franchisor control could be a great growth mechanism. We began to see that we needed to consider this as a social enterprise that was invested in doing things differently. It was part of our vision to at least consider this.

> *"Running a telemarketing company in my late twenties taught me many lessons, but one of the most important lessons is that as a business you need to pick up your phone and at least listen to business opportunities. Although everything in my body panicked at the idea of buying a second business four months after buying the first, it was important to stay open-minded and at least investigate it."*
>
> *—Carla, CEO*

Being the franchisor has its privileges. All franchise agreements are paid for by franchisors and are drafted by lawyers on behalf of franchisors. You shouldn't be surprised that all franchise agreements would therefore favour the franchisor. In this circumstance, there was a clause in the franchise agreement that gave the franchisor thirty days to execute the right of first refusal. There aren't any requirements to go through with anything when you execute the right of first refusal to explore what a purchase could look like. It is just another name for an LOI (which we learned all about earlier), but is based on an existing relationship. We have a privilege contractually to investigate and be considered for the opportunity first.

Even better, many rights of first refusal allow the party to investigate things. A buyer can put out an offer, and if it isn't accepted but another party's offer is the same or worse, the party who has the right of first refusal can still swoop in. There weren't a lot of downsides in exercising the right of first refusal, so we did.

Just like the LOI, you do your due diligence. Again, just like with our first social acquisition, we had access to information that a third party outside of the network would not. For instance, when you do due diligence for purchasing a business, you need to ask for all the information that you'd like them to share with you. Instead of them sharing everything that they think is relevant, you literally must ask them for what you think is relevant (even though you are outside of the business and really don't know what is relevant to ask. This goes back to the concept of buyer beware).

For us, we knew their revenues. As the franchisor, revenues for every single franchisee are reported to us monthly and we keep track of this information. In addition, we understood the operating costs and how to operate the business. A third party would not have access to either of these things.

All these circumstances added up to a third party naturally thinking that the business is worth less than we might be willing to pay for it. We were the preferred buyer based on our inside information, our ability to transition the business, the lower barrier for due diligence, and our ability to recoup the cost of the sale by reselling the extremely large territory into more manageable territories.

It was an aspirational purchase but not something that we really thought was possible.

What's possible without a box?

Most people like to say, "think outside of the box."

We say, "What box?"

The idea is that even saying that there is a box that we think inside or outside of can limit our creativity when we are striving to disrupt systems.

We looked at what the seller wanted and decided to throw out the box.

We created options that were at least part of a discussion:

- Sale pricing that was based on what we would pay today
- How much we would pay for further support
- How much we would pay for hitting targets over a six-month period

We've said this before, but it is worth restating. Everything is possible in structuring businesses and acquisitions. The important thing is to have clarity in what you want the business acquisition or structuring to look like, and then the lawyers can write it up. We probably understated how important this approach was to the first acquisition. If we hadn't thought in this way, existing ways of structuring businesses would have stagnated the discussion with the founding investors. Liberating our thinking and getting rid of the box is what made the first acquisition possible, but this held even more true with the second.

Let's break down the options we provided to the seller.

First: sale pricing that was based on what we would pay today

How would this work?

Most businesses have an external valuation when they decide to sell so that both parties are satisfied with the sale price. The price is based on today's value and usually is near the EBITDA at some multiple. This doesn't consider any future opportunities, changes in the environment, or any other external factors. Of course, most purchases don't consider too much of that as the upside is that the purchaser is going to have to work hard to make any improvement a reality.

Why would we do this?

This is the most common price to be paying. It is often hard to argue with accountants about opportunity and upside. If the seller tries to have a higher amount, most accountants will walk away and suggest their clients do the same.

Why wouldn't we do this?

As the buyer, this is typically what you are pushing. But remember that every single sale is emotional. This is no different when we look at buying a business. Buying a business can become even more emotional than other purchases, and once you are hooked on the idea it can often increase your willingness to pay for something. At the end of the day, that is what the business will be worth.

Final thoughts

If you think that you know something that the seller doesn't know or if you think that there are synergies in other things that you also own that could manifest improvements, then you might be willing to pay a *premium*.[110]

Second: what would we pay for further support?

How would this work?

We would pay a slight premium for an additional three months of operation by the existing owner based on maintaining the business at the current levels or higher and giving the new management more time to learn.

Why would we do this?

Management capacity was at a premium being only four months into operating our business. Our preference was to delay the purchase to a closing day that was at the six or seven month timeframe, when we would have the time to focus on running the franchise and transferring it. We still hadn't rolled out the new initiatives we had spoken about at the Family Meeting and we hadn't even yet explored how to do franchise development. How could we possibly take this on?

Why wouldn't we do this?

Oops. I think we just answered that. Obviously, the downside of purchasing and learning a new business and being accountable to run a second business at the same time as the first was a HUGE negative.

Final thoughts

Doing a social acquisition four months after the first one was really the last thing we wanted to take on. Any support we could get to make this work was going to be necessary.

Third: what would we pay for hitting targets over a six-month period?

How would this work?

The base rate that we were willing to pay based on the EBITDA valuation would be included as the baseline. This amount for the purchase price could be included for the effective sale date. However, there could be a contingency that involved us paying more after the sale depending on future sales targets. This would be tied to the previous owner supporting the transition of the business into these future sales projections, and account for their valuation of the price of the business. Upon hitting sales targets, a bonus or contingent amount would be allocated to the price.

Why would we do this?

This would be having our cake and eating it too. We would be able to have more management support for a longer period of time, and it would be a win-win. If the sales projections get met, the existing owner would get the premium price that they were looking for. If the sales projections were not met, the base price at the existing valuation would be all that would be paid, which was something that we would be willing to do anyways.

Why wouldn't we do this?

It is really giving a bonus to the existing business owner that is not fully deserved. The value of the business is technically what is worth on the day that you sell it. The additional contingency is going to be higher than if you simply paid them to stay on for that duration, but then their motivation wouldn't be tied to the success of the business.

Final thoughts

Anything is legally possible in a transaction. You just have to start with the business terms that you are negotiating on and then decide what all parties agree upon. It is critical to remember in all negotiations that you are almost never just negotiating the price. People are negotiating on many other things that are important to them including time. The more that you understand what is important to them, the more leverage that you have on the price. Just remember, the same is true for them negotiating with you. One of the strongest negotiation tactics is the willingness to walk away from a deal.

Learning two things at the same time is more than twice as difficult. Having just bought the franchisor, this wasn't going to be an easy learning curve.

Lightning sometimes strikes twice

We were very close to not purchasing the territory.

At the end of July (still within the first ninety days of owning the first company) we exercised our RoFR. We then began our due diligence process on our second social acquisition.

To get the deal over the finish line, we needed three things to happen that were all going to be difficult to achieve.

Step 1: Board and investor approval

We anticipated that our investors would not think that this was a good idea. They had all just gotten over the excitement of being the owners of a brand new business, and now they were going to own two?!

This ended up being the easiest part.

The social justice lens of a single individual owning one of the largest home care markets was not something that they thought was a good idea. They believed that this was an opportunity for us to divide the wealth of such a territory and to focus on new models of ownership that would be easier for us to do.

We explained our business plan, the strategy, and what we thought it would take. There were questions and nodding of heads. And then the investors signed off and we could proceed.

Step 2: Someone had to run it

Management capacity was clearly at the forefront of our concerns. Looking at our team, we thought that there were a few individuals in the network that might be able to take this on so that the CEO would not get swamped with this second business.

Unfortunately, once the paperwork had been signed for the purchase, this plan didn't end up panning out. By then it was too late. We posted a job opening for a Community Health Manager for the location even before the deal had closed.

We ended up hiring a Community Health Manager/Scheduler to start five days after the closing date of the purchase. We literally were hiring this person prior to the effective ownership date. No time like the present.

Step 3: Financing (again)

The existing investors had just put out cash. They weren't interested in us raising more equity or handing out more cash on something that was untested.

We had just raised all of the capital (through direct equity investment) with the plan that the charities would own over fifty percent of the equity. If we raised equity outside of the existing investor groups (and we only had thirty days) then we would be diluting their equity and the charitable ownership would drop below fifty percent.

For us to get this over the finish line, we were going to have to raise debt, plus add to the existing debt that we already had in place.

> Note: Legally there are mountains of information that we are not sharing due to confidentiality and private information. Please note, when we declare learnings – they are deeper than we can articulate. Please read into them.

We were about to stretch our management capacity beyond its limits.

The straw that breaks the camel's back

We were officially seasoned at purchasing by this point. We anticipated the cold feet, the nervousness, the last-minute emotions that would come out.

The win-win approach that was so natural to us was still something that was quite uncomfortable and surprising to others. It was so uncommon that it almost made us less trustworthy. We were now acclimatized to sellers.

Within one month of purchasing the territory, Google AdWords stopped working. The phone went ghostly quiet. In the first four months of ownership, six of the clients passed away and another two went into long-term care. We had to learn about all the new clients, the caregivers, the grassroots business, and the existing relationships that were in place.

Nothing was straightforward or easy. Even to transfer the bank account took over three weeks. We had issued our first payroll before we had access to our own bank account associated with the incorporation.

With all the growth, mistakes, learnings, hardships, and victories... this was the straw that broke the camel's back.

> *"I remember the day that the weight of what we were trying to do finally broke over me. I was speaking to Eloise, our business coach who I'd known and trusted for over a decade. And I broke. How could we have overcome such hurdles, accomplished an acquisition that was supposedly impossible, to only have our second (smaller) acquisition fail due to a reduction in calls from Google? Eloise reminded me of all the pieces that we had been putting in place, how we did the work, how when things weren't working, we would double down. Hope without a plan is just a wish. But we had a plan. So, we had hope. The camel's back would be okay."*
>
> *—Alana, CEO*

Two companies are better than one?

Based on this second purchase, we realize now how well the first one went. We hadn't awarded or negotiated the twenty-nine franchise agreements that were in place when we purchased the franchise network in 2022, and it is those people and those relationships that are the key to our growth as a successful franchisor. It is the people. Our franchise partners were so committed to the impact that they were making in people's lives. Without that foundation, we would have had a lot more difficulty and turmoil.

Although the second purchase had its fair share of hurdles and arguably took up an unfair proportion of management's capacity in the first year of its operation, there was a lot of strategic advantage to buying it. Primarily we have treated it like our research and development (R&D) department. It is a great training ground.

We have rolled out new services, marketing practices, and orientation processes, and we have gained our fair share of humility and compassion for our franchise partners. As a national team, we strive to be better cheerleaders for them and show our confidence in the support that we are offering them.

It might take a few more years before we call this second acquisition a good idea. But it was the right thing to do, and we can hold our heads up high that we did the work that needed to be done.

IV

Doing things differently

13

Culture eats strategy.

"Culture eats strategy for breakfast."
—Peter Drucker[111]

Lots of people say this. We had an opportunity to live this.

"I had been working in marketing and technology for a long time, and nearly two decades in the C-suite, but the longer I went on—particularly in advertising—the more I began to question the utility of investing hours, resources, creativity and brain-power to simply feed the endless cycles of consumerism.

I must say that over my career I have had the blessings and good fortune to work with some extremely progressively-minded leaders and colleagues.They opened my mind to the way a company can hold tightly onto its shared values, while remaining profitable and effective. Nonetheless, even as we were using our corporate footprint as a sandbox in which to model a microcosm of the society we collectively wanted to live in—a community based on inclusivity, nurturing, supporting, and shared growth – the output, the work we did, the impact we had on the world around us was, in the grand scheme of things, negligible. At best we'd helped an arts organization launch its new website, or a bank raise *awareness about mental health. But much of the time we helped sell more units of coffee sweetener, or barbecues, or mortgage insurance…*

In mid-2020 with the pandemic in full swing and my own personal anxiety and aimlessness in full swing, I was given the opportunity to temporarily retire from the rat-race and really figure out what the next stage in my career might be. One thing was clear: I was done helping companies with meaningless missions make more money for corporate shareholders.

Then I learned about EDGE and their mandate to encourage, support and invest in grassroots social purpose initiatives and my mind was opened to the possibility of impact investing. This is also when I met Carla.

During my time working on contract with EDGE I was struck by the way folks treated each other: how they made space for others to show up, how the language that was used was mindful and geared toward inclusivity, how even a monthly status update meeting could make space for reflection and introspection. This has become for me the gold standard of what business interactions can and should be.

A while later, about nine months after Carla had left EDGE and began her journey with Just Like Family, we were having a catch-up call and Carla was eagerly telling me about the work and mission she was engaged in. I was struck by how many pieces were fitting together all in this one organization.

Addressing a vital (and much-neglected) aspect of North American society? Yes please. Putting people first and running a values-led organization? One hundred percent. Putting technology and innovation in service of social impact? That's right. Thumbing one's nose at Bay Street and Wall Street and Silicon Valley? Striving to disrupt the current capitalistic mainstream culture? Boldly daring to find alternative roads to fund a profitable social enterprise? Where do I sign up?!?

I remember interrupting Carla during the video call and saying "Wait. WHY the heck am I not your CTO?"

And Carla answered with a laugh: 'I have no idea.'

> *And that was that."*
> *—Tom, CTO*

More than vision, mission, and values

There is no wiggle room on what you believe. You must have absolute clarity around this and then show that you are more than just talk. How do the vision, mission, and values show up in every single interaction, decision, and strategy of your business?

> *"I think what people forget when developing a company or developing a team is that the team you choose is now your community. You are a product of the five people you are in contact with the most and this means your work team counts! This team should ooze the values, should be the values and should view this job as not a job but a place where they and you belong simply because your only role is to make people's dreams come true."*
> *—Alana, Operations Manager*

You can't force culture. And it isn't a quick thing. It typically takes the average organization two to seven years of consistency to change their corporate culture.[112] And that time period references when they are successful; most corporate culture adjustments simply aren't. Having a great culture and team when we first started made our job so much easier.

You can't force a new culture. We really listened and then articulated what we heard back to the franchise partners their "why" and the values that were inferred through those driving motivations.

Vision: Changing the narrative around aging

Often, we say "changing the narrative around home care" as that is more readily understood, but we are really focused on changing the narrative around aging in general. We believe that home care is the way to change the narrative as it is offering a new way to age in place.

Home care takes the weight of complete responsibility for aging parents off the family. That weight was put there through previous systems in which mostly female family members raised children and were also responsible for supporting their parents as they aged. As the world has changed with women entering the workforce increasingly equally to men, blended care is becoming increasingly important. Blended care changes the narrative around this being a "burden" that one person is responsible to carry. This is something that everyone has a part in, from the person themselves to the family, the friends, the community groups, the neighbours, and the organizational care providers. This is a collective circle of care approach, and should ultimately empower the client.

Not as many people move to long-term care as the existing narrative would make you believe. It isn't "normal" as a natural stage of aging to move into long-term care. It is just an option, and most studies show that it is not a preferred option for individuals.[113] We talk about it so much that we think it is.

Creating a new home care approach that is more accessible through a blended care model is a way to disrupt this narrative of how we are to age. This is the *vision*.[114]

> *"I first encountered Carla in the virtual realm, but I immediately sensed a deep connection and shared values. Her unwavering commitment to driving meaningful change within the franchise industry resonated with me profoundly. Carla's unique perspective paved the way for me to become a franchise owner, and without her guidance, I doubt I would be in the fortunate position I find myself in today. I am eternally thankful for her invaluable support."*
>
> *—G. Lin, Franchisee*

Mission: Being people-first in all interactions

Everyone should feel the *mission*[115] of an organization tangibly. For us, that means they should feel important, seen, and heard.

This doesn't just impact our clients, their loved ones, and our caregivers. This needs to encompass our partners, weave through our conversations, and even become apparent to other stakeholders.

We know we are onto something when we hear the following:

- "This is the best interview I've ever been in." We heard this when we interviewed our first full-time hire and then our second. The fact that they both said this and had space in an interview to even give us this feedback was telling
- "This is the best interaction I've ever had with a home care provider. It is so relational." We met the general manager of a senior residence at a networking event that they hosted. We had a great first call focusing on what would be supportive for them, and then we delivered. Recently our local franchise partner has shown up at the senior residence to decorate a Christmas tree for the holidays with the residents
- "I decided to buy a franchise because of the core values that you have." This is one of our newest franchise partners. We have been working with them to grow their business and we are delighted to see them growing at the fastest pace out of all our newbies
- "We would never partner with another home care organization like this as we have such aligned values." We are honoured by this and were so excited that we recommended a conference where this charity showed up with five of their senior staff and carved out new ways of doing their work

We don't have specific measurements on this. But we are constantly listening.

Active listening and curiosity are core to treating others with dignity and respect. Not knowing that this is uncommon has probably saved us.

"Just a couple months into caregiving when we'd ramped up quickly,

and I knew we were going to make a difference with all the clients, I knew that our caring ways were going to make a difference. What was completely unexpected was the transformation that we brought to the caregivers. Shifting their world and having a place where they were respected… and that the business was approached with integrity, that was the part that I realized we're going to impact a lot of different lives here. That there's this whole industry of people being treated really poorly.

Yeah, we can change that. And we hadn't even done anything special for them in that month. In those first two months we were trying to find out which way was up and yet it was such a dramatic difference for them without having done all the things that we've put in place since; that was astonishing for me. That we're really going to change the way business is done."

—Sarah, COO

How does one do this well? Don't take it for granted. We keep reminding ourselves that we can do better. This keeps us humble.

Values: The foundation of everything else

Values are the foundation for both the vision and mission. Without the underpinning of the value set that the organization is committed to, the vision and mission don't matter and won't happen.

The underpinning values that we've articulated are:

- Respect and dignity
- Integrity and authenticity
- Curiosity and open-mindedness
- Empathy and compassion
- Grace and joy

We can't take these for granted.

> *"From the get-go I knew that this was an organization that I wanted to be part of. From the first time I met Carla and learned about what Just Like Family was about and the direction it was going, I knew it was totally aligned with my values. During the lockdown our seniors were the most vulnerable and least cared for. Just Like Family is about care and companionship which goes beyond just keeping them safe."*
> *—Serafina, Bookkeeper*

The values that we established as the strategic core three that we would lift up were:

1. **Collaboration**: If you want to go quickly, go alone. If you want to go far, go together.[116] By focusing on listening to each other and honing good communication skills, we are able to bridge differences and find unique ways to work with other organizations. Having collaboration as a value has quickly turned into a formidable competitive advantage. Learning to show up to spaces without an agenda of our own has created new opportunities.
2. **Learning**: No one knows everything. Everyone has a superpower. And together we probably have the answers, but we have to be willing to be vulnerable and learn together. This was really easy for us as we came into an ownership and leadership position knowing less than everyone else. What was incredible to us was that by actively listening and admitting how much we didn't know, we were able to leapfrog and gather best practices to add value across the franchise network in sixty days. The posture of learning and admitting when we don't know things has enabled us to dramatically improve all of our processes and policies across the board. We look at not knowing something as an opportunity rather than a threat. Learning is the mindset that we are able to look at a challenge and try something new. Tying this value to collaboration is truly powerful.
3. **Empowerment**: Just Like Family staff are encouraged to work together and are celebrated when we help others. This leads to fertile ground for empowerment. Add in learning as a value, which basically means

> that failure is just an opportunity to learn, and you create a culture of courageous experimenters. This is empowerment on steroids that the national team lives out, which then ripples out to the franchise partners, their staff, our partners, and our caregivers. Rolling out the Notables Awards, where we nationally recognize staff that have gone above and beyond, we are literally celebrating when our staff has demonstrated empowerment.

Your value set can't be taken for granted. It needs to be pervasive in your business practices and decision-making.

We speak about these values in almost every meeting. We retell stories where these values have shown up.

> *"When I practiced occupational therapy, there was always the hope that things could be done differently. Because my lived experience was that everybody didn't get the same quality of care. Not just the people who we were sent to care for, but also us as workers. The training wasn't there. The level of intimacy that it requires to work inside somebody's home wasn't there. How to handle certain family situations, that training wasn't there. And sometimes it felt like, either you totally threw yourself in because of your own family experience or you totally wouldn't because you did not have that family experience. And so you worked with the person as if they were a stranger. It was always my hope that that would change.*
>
> *When Just Like Family Home Care came about, I was excited to see that it would be a call-out for that change. It will start out being the change and not have to grow into that. It will start with the level of care and concern and training that it requires to work within somebody's home. I think only one home health care agency that I worked for in all my years was one that had a little teeny bit in terms of allowing the workers to also be part owners and to also have a voice, but it was a tiny voice.*
>
> *It wasn't really anything magical to have leadership responsibility when everybody is actually their [own] leader in their specific areas of*

what they're doing because they are the example. And so if you don't have the training, you can't be that. If you haven't been empowered to do what they know to do. That is so important, [as opposed to] harnessing them and trying to have them fit into your mould. They have the skill set to do it and so for me, that was just an exciting moment to be a part of [an] organization that empowers people to do what they know to do and provides the adequate resources. Because those two things—where you empower people but they don't have the resources to carry it out in an excellent manner—then it changes everything. But to empower them, and to equip them. That's what's exciting for me."

—Susan, Board Member

Rituals and practices are what people remember.

"What gets measured gets managed."

—Peter Drucker[117]

Back in May 2022, every Just Like Family meeting started with speaking about the numbers. Who made the most money and which franchise partner grew the most. Every month we hammered down who was successful, and therefore who wasn't. Financials and speaking about financials are a healthy part of a franchise network, but not if that is the only thing that is being spoken about.

In June, we started to speak about people first. The homework assignment for the provincial calls was simple:

"What are you proud of that happened in the last month?"

Wow. Every single franchise partner shared a story. Not a single story included their financials as something that they were proud of, even though one third of them had hit record months.

They told stories of people. They told stories of impact.

Here is a sampling:

- One partner shared that their first client—who they had supported for two years—had just passed away and they had supported them through end-of-life care. They were proud of the care and support they had provided and that they had been there in the end. The team shared moments they remembered with that client and the impact the client had on their lives
- Another partner shared that they had rolled out some technology workshops to support seniors in technology adoption and they had received great feedback. They were proud of how they had been thinking creatively and that it had been appreciated. This franchise team ended up doing a video memoir of one of their clients so that the family would be able to continue to hold them in their memory

Our rituals and practices were reset to be human first. We ignored the pressure of external expectations on us to act like "professional business owners." In our industry it is way better to show up authentically.

We started to highlight the best stories, the best caregivers, and the personal bests of our franchisees. We still spoke about numbers, but it wasn't the only thing that was being measured anymore.

Months later, when we rolled out "upgrade training" to support our franchise partners with ensuring consistent service delivery, we started the training by asking everyone to share their personal "why"—why they had joined Just Like Family Home Care. The most common answer:

"Making a difference in people's lives."

People are everything, all the time.

People-first business and industry means that you have to actually put people first. Not just sometimes and not just some people.

What does this look like?

At the national level

We actively align job descriptions and job titles based on people's strengths and passions. Yes, there is work that needs to be done that we need to have capacity to do. But, there is some wiggle room to adapt things to what people love. We actively pay attention to what works gets done quickly and what is procrastinated on. We then have conversations to better understand our team and the ripple effects of this behaviour. What does this mean? How could things be adapted?

When we onboard new staff, we train them that their main job is to catalyse our franchise partners' dreams. Every time they interact with them, they should be improving their businesses. It is great to see the impact that type of support makes on our franchise partners, who now have a team of cheerleaders and champions working for them. But it also improves our teams' commitment to the organization as well. What a great job it is to be catalysing people's dreams every day!

> *"One of the things I'm proudest of in management is my ability to hire and retain good people—we used to call them 'talent,' but that's a pretty inhuman way of thinking about your new colleagues, reports, or teammates. Hiring is one of my favourite parts of the job: you have this incredible gift you can bestow—the gift of gainful employment, meaningful contribution, career advancement, and the opportunity to become part of an awesome team, working for a good purpose.*
>
> *And the gifts keep on coming: you also have this opportunity to present lovely gifts to your beloved existing team—a new colleague to share the load, a new mentor with new lived experiences to learn from, sometimes even a new best friend! Finding that new human being that will augment and delight your team is like finding that puzzle piece that fits perfectly and unlocks a whole new section of the puzzle!*
>
> *Taking this second opportunity seriously also makes hiring a challenge: while you're deeply engaged with evaluating the candidate's ability to meet the responsibilities required, and trying to ascertain that your*

organisation is a fit for them, you're also trying to get an accurate sense of what impact hiring them will have on the dynamics of your existing team (which is hopefully a tightly-knit, mutually supporting and highly effective one)!

People talk about hiring for culture fit*. I try not to use this expression because it describes an exclusive, not an inclusive hiring practice. We should always strive to hire for* culture add*. We should see each new hire as an opportunity to increase our diversity, our breadth of experience and perspective, our exposure to new cultures, new ideas, and new ways of being.*

We just need to make sure that we add the right *things to our culture—and so making time and space in the hiring conversation for an exploration of each others' values becomes critically important.*

I have mostly been responsible for hiring technical talent—coders, developers, information architects, and so forth—and yet I spend the larger percentage of time getting to know the person behind the mask rather than deeply probe the extent of their technical capability. Technical skills can be learned by the right people with the right attitude and support, whereas values are much harder to change.

And so I tend to hire the person, *not the* role*. Even if that means the person might not be able to accomplish everything that the job description lists out. Filling a role satisfies a business need but filling out a team satisfies the business* and *the team, and provides potential new opportunities to grow and expand in unexpected ways. I have sometimes pushed hard to hire a candidate without having a clear match to an existing resourcing gap—just because I* had *to have that person on my team. We'd figure out how they can best contribute later on, together, but the team was immediately richer for the hire."*

—Tom, CTO

At the franchisee level

Changing the recruitment policy for franchisee recruitment was critical for the growth and direction of the culture of our organization. We needed clarity on who would fit the future of this corporate culture and recruit accordingly. What did we prioritize?

- Coachability
- Grit
- Ability to learn
- Accountability
- Aligned values and personal "why"

We also wanted to make sure that our existing franchise partners felt a hug. Text messaging, regular communication, access to the team, one one ones, Family Meetings, and tracking who is falling through the cracks is all part of our regular cadence as a team.

> *"The way that I became part of Just Like Family was truly serendipitous. I was working temporarily in a restaurant, right after the hurricane that hit Southwest Florida in September 2022. Carla sat in my section, in one of the only outside tables on that chilly December afternoon. By the time I handed her [the] check, her words were along the lines of: 'You have skills that I am looking for [in] someone to manage my upcoming project in Florida,' while handing me her business card. I was a little taken aback, but open to hear her proposition.*
>
> *I wanted to assure her that I did have the education and experiential background for Just Like Family, so I instantly sent her my resume. After watching a series of videos and seeing her involvement as the CEO of a home care company, it was further confirmation that I wanted to hear more. We met for coffee the next morning, and I was very intrigued to hear the way she wanted to revolutionize home care health. She started to tell me the statistics about the growth of the company in the time she*

> *had taken over. How the people that are part of the organization are people who also have similar values. People who are diverse by breaking a mould that has long ago been out of date.*
>
> *Upon officially onboarding with Just Like Family, I have come to love and support it more with the days that have gone by. Not only are we here to support clients who are receiving the care, we are [also] here to see the advancement and growth of the franchise owners that are a part of what Carla calls the 'paradigm shift.'"*
>
> *—Maria, Franchise Coach*

At The Caregiver Level

Getting the right people from the start for all roles within an organization will continue to build a solid foundation. We ask similar questions when hiring for all roles within the organization.

> *"Our first appreciation night for our caregivers was an amazing experience to get to know them and have some great conversations about what they saw in the industry and what they were hopeful [for]. Our second appreciation night was even better when people shared their stories with us and even some of their hopes and dreams."*
>
> *—Carla, CEO*

Asking our caregivers about their motivation and their personal "why" has continued to attract the team members that we need. Providing career opportunities and growth within the organization is a priority. Answering the phones on weekends, providing opportunities to become a scheduler or coach of other caregivers, and even becoming a Community Health Manager not only provides motivation, but also stable income and opportunity.

Our franchise partners have all driven a caregiver to work. Not only to make their lives easier, but just as another opportunity to have thirty minutes in a car with them to have a good conversation. Showing up to do an in-home assessment is a way to support your caregivers as much as the families. This is rooted in the values of dignity and respect, but really lives out putting people first.

> *"When your caregivers feel this 'hug' they can see that they contribute meaningfully to clients and families, which translates to our clients having literally the best care. This is just one small glimpse into how I know JLF is different."*
>
> *—Alana, Operations Manager*

Walking a mile in someone else's shoes gets noticed.

Empathy is different from sympathy. Sympathy is when you feel bad for another person. Empathy is when you put yourself in their shoes and understand how they feel. Both of these can evoke compassion.

Sometimes we fear people will take advantage of us if we are compassionate. But at Just Like Family, we think it is worth the risk!

We are a for-profit social enterprise; this doesn't mean that we give handouts. We are still very accountable to our shareholders. It just means that we put people before profits, and therefore we play the long game. This doesn't mean that we say "yes" to everything and we do things just to be nice. It means that when we say "no" or decide to go separate ways, we have an open conversation about why things aren't working and why we need to go in a different direction. We don't shy away from making the right business decisions, *and* that doesn't mean we can't do that with compassion and empathy.

In our onboarding training for new franchise partners, we spend the time to look at various viewpoints of case studies. Who is impacted in what way? How would you confront this? How might there be another side to this story? How can we protect ourselves and the business? How could we offer some grace?

A big part of our training is creating resilient franchise partners who have the confidence to take another deep breath when things seem to not be going their way, and to think through why something might be happening with multiple viewpoints. This stance typically leads to better outcomes for everyone.

> *"I had a visual of our organisational chart and rather than being a normal family tree, I'm visualising a sphere that's going out in each direction. It's like a ball bouncing; it may dent on one side as we hit some pushback, but it will bounce higher because of the structure of the ball of the sphere. It is not dependent on the top, like a family tree, whereas the ball has resilience and can turn and pivot in different ways."*
>
> *—Sarah, COO*

Leadership and culture go hand in hand.

The thing about culture is that it isn't random. It is kind of like word of mouth that way.

Word of mouth[118] is not random either. Word of mouth comes from:

- Good customer service acting as marketing when people speak about you
- Asking for referrals to make it easier for your customers
- Training your staff how to speak well about your business

Culture is also not random, but stems from:

- Consistency
- What the leaders say and do (that they are walking the talk and being authentic in their leadership)
- How the leader takes accountability
- How the leader communicates
- How the leader prioritizes and empowers staff to prioritize
- How the leader makes decisions and empowers staff to make decisions
- How the leader is humble and continues to stay humble
- How the leader lives out the values of the corporation every day

As Peter Drucker said at the beginning of this chapter, "Culture eats strategy for breakfast." But only if there is a strategy to how you build your culture.

"In the current employment climate dominated by impersonal job boards, 'AI-powered' recruitment, automatic skills matching and one-click job application, it's more critical than ever to approach the hiring process with compassion and humanity. Candidates are forced to play the numbers game because so many employers (and recruiters) are sacrificing human connection for so-called efficiency. Technology promises to tighten the hiring cycle on the employer's side by providing candidate filtering, automated skills testing, templated rejection emails and yes, even values matching. But for all but the lucky few who make it through, the experience is generally disheartening for the candidate and does little, if anything, to demonstrate the stated 'brand values' of the employer. More importantly, at the societal level, it reinforces the age-old trope of the worker being the supplicant who should be grateful for the opportunity to have a job at all, rather than a human being with all the opportunity and responsibility that entails.

On the other hand, if you spend your energy crafting broad, open, values-based communications about your company's staffing needs, what incredible, unpolished diamonds might you uncover from among the marginalised, so jaded by rejection and inequity that they might otherwise never have applied?

Hiring with intention takes lots of time and energy, but it's time and energy well spent.

Let's face it: if your mission is to maximise impact, not profits, then your ideal candidate is probably not the lone wolf, the alpha, the 'rockstar,' the 'ninja,' the 'unicorn' or the 'ten times engineer.' Those who 'play the game to win' are already not values-aligned, so why spend any effort trying to attract them? You want (and need) folks who deeply understand the value of community, who have empathy and strong connections to fellow human beings, and who likely carry burdens, challenging lived experience at the intersection of different marginalised groups.

These are the strong yet humble people you need to invite (not just welcome) through your doors.

So in crafting job applications, I always lead with values, starting with a strong statement about commitment to inclusion and diversity, and an offer for accommodation to those applicants who might need it. I speak about our devotion to the success of our team members, painting a picture not of a meritocracy where staff are blamed for their errors and encouraged to compete, but of a community where human beings are set up for success and given the tools they need to succeed, whatever that might look like.

In 'drawing the circle wide' you end up with even more candidates to review, hopefully interview, get to know as deeply as you can, and yes, let down gently. It's a lot more work, so plan your timeframes accordingly—especially in your first few hires—and embrace the process. It can be extremely rewarding!

Remember that you can have a positive impact on a candidate's life and future career even if you don't end up hiring them! Sometimes, all they need is a little hope that there are some actual human beings that are trying to hire actual human beings and are willing to invest [part of] themselves to do so with compassion and dignity."

—Tom, CTO

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Change management life hacks.

Nobody likes change. No one. Change takes some persuasion in order for it to happen at all. There needs to be a plan in place to help people adapt to change. This is change management.

Change happens at the speed of trust

Change happens at the speed of trust. Trust happens at the speed of relationships.[119]

How do relationships happen? When we stop talking about the top things that everyone else speaks about and start to become authentic. When we stop speaking about the weather, traffic, kids, health and hockey (at least in Canada), we can have real conversations. When we stop trying to be someone that people think that we should be and when we just simply show up... as ourselves. These are some of the exact same principles of win-win. It is putting people first.

Building trust is not tricky. We have built trust through the following methods:

Putting in the work

Intelligence is nice, but when it comes to trust-building, time and effort are the keys to success.

> *"You don't need your MBA to make a difference. You need your heart on your sleeve and your community. You need to talk to people, and tell your story. You don't make people's dreams come true by staying inside the box of what is expected. You make people's dreams come true by going outside of the box and not waiting for people to give you permission to do it. You impress people by going outside of the box and challenging the norm; when in your life have you liked 'yes men?'"*
>
> *—Alana, Operations Manager*

Staying humble

Never expect someone else to do something that you aren't willing to do yourself. You need to be willing to pick up the phone, drive someone to the hospital, pick up the cheque, or take someone to the bathroom. Never think that a job is above or beneath you. Understand that when you are growing and having other people doing other jobs on your behalf, that it isn't because you are better than that work. Know that you would be willing to do that work. Part of people owning their work is empowerment and the knowledge that it is something that they are accountable to and can take pride in.

Being honest

This includes times when someone asks you a question and you don't know the answer. Don't you dare lie. If you don't know the answer, that is the answer. Can you find out the answer, can you go and get it? Absolutely. But don't lie. The moment you stretch the truth, you have lost any chance of earning trust.

Giving yourself a bit of grace

You must remember that your missteps feel bigger to you than they feel to the other person. No one is going to be as hard on you as you will be on yourself! If your heart is in the right place, then others will notice and give you the grace that you deserve. You should give yourself grace, too!

Being consistent

Doing things time and time again at a certain level is what earns trust. Trust doesn't spring from when you did one amazing thing, but then the service level stayed low ever since. But if you did something amazing once, and then your service level was still better, then that one time you have a mistake and mess up, you have earned enough street credibility to ride out the storm.

Once you earn trust, protect it. A single misstep can put you all the way back. This counts for clients, for employees, and for all relationships. And it can't just be one person who is being consistent, it is the team. It needs to start at the foundation of the team.

> *"I'm excited. The whole process has been just wonderful. Being able to see what is good and starting at the foundation. I always talk about people having a solid foundation and then you can build, but you always have to make sure it is tied back to the foundation.*
>
> *If you get a piece of the foundation but not the whole, this takes something from the foundation they build on that. But what I see happening in our organization is that the whole principle of the foundation goes with every level that we build, and so there's nothing lacking on any level or any branch or any outreach that we do. And to me, that's extremely important."*
>
> *—Susan, Board Member*

Critical change moments

There are moments in time that change the world. The same can be said about relationships.

There are moments in time that have more of an impact than others. We have mentioned that consistency is critical to trust, but there are important moments in a relationship where trust can be unfairly earned or lost quickly. This specifically applies during a transition or a first impression.

Transitions

These are the moments when people really panic. People don't like change! So you need to be extra people-focused during transitional change.

What are you saying? How are you saying it? Who is saying it?

You need to control the message so that it can be absorbed. You want to get ahead of any mistrust and be the one to say the message yourself, so that it isn't told on your behalf and miscommunicated from day one.

You need to say the message in as many different ways as possible so that it can be absorbed in the ways that people need to hear it. Here is one way to do it:

Step 1: Deliver the message clearly

Bad news (which is basically any change for someone) should always be first communicated personally. Face-to-face is better than over the phone, and video conferencing is better than an email. It is critical that the person who shares the message is the right person to deliver this type of news. This is decided based on the relationship that is in place or the level of authority that they have to make this official. In our case during the purchase, the founder delivered the news personally to his team and one on one to every franchise partner.

Step 2: Support the processing

Once you deliver the news, you need to provide it in writing to support someone in processing the news. This usually takes at least twenty-four hours, or a night of sleep. Provide any other support that might be required for processing. For us, we had an email sent out to all franchise partners once everyone had had a one on one. This message was clear and consistent with what had been articulated in the one on ones. It is helpful to have changes in writing because during a phone or live conversation, not all of the details can be absorbed. We also had our business coaches and our existing franchise partners connect with people who had additional questions to support their processing.

Step 3: Lean in and be vulnerable

Once processing has happened, further communication is needed and it is now possible to talk about what's next. When delivering the message of change, the "what's next" will be lost. So it is best to dig into this once initial processing is done. For us, the "what's next" was scheduling one on ones between franchise partners and the new CEO to start building the relationship as well as starting the fact-finding process.

The first impression

First impressions lock in our minds how we expect another person to show up. If you have a positive first impression, people are constantly looking for reinforcement of the positive opinion that they formed that first time. The opposite is true as well; if you have a negative first impression, that individual will continue to seek out reasons why you aren't positive.

So much goes into a first impression that it can be overwhelming to list all of the things to think about. The best practice is to show up authentically and be prepared to actively listen.

To show up authentically, always take a deep breath and recognize what energy you are showing up with. If you have had a rough day, recognize that.

Sometimes it is okay to not be okay. Some of the best relationships can be formed from someone having a bad day and just being honest about it; the honesty can be refreshing.

To actively listen, the key is to ask questions. Making sure that you ask questions prior to speaking about yourself can leave a great first impression. It also gives you an opportunity to seek out commonalities and build a connection with the other person quickly. Everyone has something in common if you ask enough questions!

We are not going to be perfect. If you have a bad first impression, just learn from it and see how you can avoid any of those pitfalls again. Or pay attention to the next section...

When things go badly...

Surprisingly, when things go badly that is your chance to shine. This is true for customer service but also with change.

If something is going badly for someone else, and you are able to make the downside better, they will be grateful.

If you do something badly, you can still shine. In fact, how you respond to your own mistakes is a huge indicator of your integrity. If you overachieve, you have often won a fan for life.

Exceeding expectations from the get-go often doesn't compare to the emotional response of trust that you are able to create when you mess up and repair things. This is a great reason to not fear mistakes. This is a great reason to reframe opportunities for growth when things were difficult or didn't quite work. This can go to quite an extreme where you can create a common enemy, aligning yourself with the other person so you both can attack the problem together.

Better communication, all the time

Change management and conflict management are usually rooted in communication.

Active listening

We'll say it again: relationships are formed at the speed of trust. We need to take the time to build these relationships. Active listening during conversations will make this time even more fruitful. Here's how:

- **Listen first**: So many people try to be heard or try to remember what they were about to say. The go-to is that if you can't remember what you were about to say, it probably isn't that important
- **Repeat what you heard for clarity**: Miscommunication is abundant. Plus, when someone realizes that you are genuinely listening, your conversation is most likely about to get a lot more intimate. You are starting to peel back the onion.
- **Receive feedback**: Be able to listen, adapt, and be reflective about how to improve. This is a good thing, not a weakness
- **Act on what you've heard**: Listening without acting is an indicator that you aren't actually listening or caring. Show them they have been heard by acting on it.

The secret of socialization

We already know that people don't like change.

So, what if we make it seem like it was everyone's idea to change? It has been proven that people are more likely to buy into change if they think that the idea was from them or that their insight is part of the idea.

We socialized ideas early and often. In fact, we started socializing ideas that we heard from the first one-on-one conversations with franchise partners after only speaking to about one third of the franchisees. We socialized the ideas early and often. Each time we shared the idea with a new franchise partner, it was more validated or improved upon by considering a new objection or point of view.

By the time we spoke to the wider team, we already had two thirds of their input into the ideas that were first seeded by the first one third of conversations. Then we added more ideas from the last two thirds that we socialized immediately to test our assumptions.

By the end of our one on ones, every single franchise partner could hear that their conversation with us was heard and incorporated into our plans. How could they disagree with change when it was their own idea?

Power dynamics

Power is a weird thing. It is all about persuading people to do what you want them to do. Sometimes you have formal power where you can tell someone what you want them to do, but it is the informal power of leaders that is that much more effective.

Formal power

The existing systems and dynamics of the world have created a formal power structure that many—if not most—of us follow. When we have a manager, when we have someone who can offer us something, we pay attention. There are two types of formal power:

- Legitimate power: Someone in a management position to whom people listen because of their title alone
- Reward power: Someone who has the ability to give out something of value, monetary or otherwise, and therefore has sway over others

Although formal power is something that often has immediate persuasive ability, it doesn't automatically result in respect or buy-in. In the end, relying solely on formal power doesn't necessarily result in the actions that you hope for.

Informal power

Informal power is often considered less important, but it is more effective in the long run and is less likely to be lost over time. There are three types of informal power:

- Expert power: The power that results when someone is an expert in a certain topic, such as lawyers, doctors, priests, and authors. Yes, even writing a book and telling people that you have written a book is power-laden. This type lies somewhere in between formal and informal power
- Coercive power: This is using threats or fear to influence results. Obviously, this is not a healthy source of power in the long run.
- Referent power: This is based on trust and integrity and is the best form of power. With referent power, people want to work with you. For us, this was resulted from treating all of our franchise partners as independent business owners, which they were. We made it clear we wanted to build consensus on the direction we would take together

Being a leader means you take on formal power structures. However, the best leaders are the ones that don't enforce their formal power. Building a team of champions and cheerleaders as a wider network continues to have an upward spiral.

> *"Advocating for your people from the top down is the most important thing. As a leader and as someone in a position of power, it is your responsibility to take accountability for your staff and all the people under them. That is what you signed up for!*
>
> *As my staff and I coach our own team through hard times or misunderstandings or challenges, I get to say to them, 'This is not a failure on you, this is a learning for us both.' With the support and opportunity to make a mistake or have other things interfere with work, it's okay because we*

have the most amazing staff who will support them in their absence if need be. Life happens, and it is time we allow the work environment to include that."

—Alana, Operations Manager

Bumps and bruises

Okay—we haven't solved world hunger. But we knew from the start that we were not perfect, we wouldn't become perfect, and that this is a work in progress that we would keep on improving over time.

Doing things differently doesn't happen without some bumps and bruises:

- **Difficult conversations**: Moving on from suppliers, contractors and employees is never easy. Having a direct conversation and not beating around the bush can be difficult in the short term, but good in the long run
- **Negotiations**: Trying to negotiate from a position of trust and authenticity is actually the antithesis of negotiating. Negotiation is about finding out what the other person wants and exploiting that. That isn't exactly win-win. Change this into thinking about compromising and what could be beneficial to all parties. If you walk away from a negotiation totally satisfied, have you ended up acting in a win-lose way?
- **Moving on from failure**: Sometimes this feels like abandonment of a great idea. Sometimes this feels like you are not giving someone or something a chance. There is a lot of strength in identifying that something should stop. When you stop, that just gives you capacity for something new!

Bumps and bruises are unavoidable. It's how you weather those bumps and bruises—and how you care for the people around you during the rough ride—that matters most and builds trust.

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The first twelve months.

As you can tell from this book, the first twelve months of ownership of Just Like Family Home Care were a whirlwind, and we can see that it isn't going to stop. Moving at the pace of business is critical, and if you aren't improving and growing, you are falling behind.

> *"What a wild ride. The first twelve months were a huge learning experience for me personally and professionally. We've learned so much and we've grown so much. This is a 'we,' not just a 'me.' Things have evolved in such a great direction. I could never have imagined that we would be where we are today when I first started."*
> *—Serafina, Bookkeeper*

Here are some highlights from our first year...

A bird in the hand is worth two in the bush

We never forgot our franchise partners. We froze franchise development for the first six months after we acquired the business and focused on learning and building relationships. We built trust.

Instead of fast growth in the first six months, we focused on the infrastructure that would do the following:

- Create consistent service quality across the network
- Put in supports that would raise the bar for home care
- Improve peer support with a focus on collaboration and learning
- Improve operational efficiency so that our franchise partners could grow

Getting our hands dirty

Buying back a territory helped us understand the grassroots of the business. Although at the time it felt as though we had over-extended ourselves, a year after buying back the territory we can say that it was worth it. Now we understand:

- **The clients**: what phone calls look like, what they are worried about, and the gratitude and joy that comes from being offered peace of mind
- **The caregivers**: the tricky balance, the hard work, the commitment and passion, and the challenges of being a caregiver
- **The way to show up**: running this business is about being authentic, being responsive, doing the best that you can each day, and giving yourself some grace. We are now a much better franchisor because we were first a franchisee

> *"There is a predictable arc to the work of being a Community Health Manager at Just Like Family. An individual in crisis calls seeking help. Within moments of answering, you cross the intimacy threshold and enter a space usually reserved for only the closest of friends and family. Slowly their story unfolds. It is always one of loss... mobility, cognition, community. As you probe with gentle questions, they map for you the uncharted territory of some new painful reality. They are lost because they have never experienced this kind of need before. As an expert guide, the Community Health Manager highlights the pathway forward. In doing so, [they] bring relief to the anxious minds who felt so alone*

moments before they called. In connecting them to care, new stories of being seen, found, and healed begin."

—Alexa, Community Health Manager

Two heads are better than one

We now know what a good partnership looks like. We learned how to be good partners ourselves!

We learned to never show up to a meeting with an agenda or with our assumptions dragging us down. People took awhile to believe that—that we really didn't have the "solution" already planned out. But not knowing was the secret.

We saw that being a leader in collaboration is actually our superpower. We now have a new approach that we built with existing partners rooted in the win-win philosophy that we are ecstatic about.

"Empathy and grace. Two of the most famous buzzwords we hear everyone around us use! It sounds like a utopian dream, to think that educating people on these two words could change the mindset of so many people and more specifically the foundation of how they operate a business.

In any business, how we show up for people matters. When we look out at the world and realize that no one is a number or an inanimate object, lived experiences show up very differently. Why would we think that empathy means rehearsing the right one-liners or showing up for people in a rehearsed motion time after time again? This is where the power of storytelling comes in. How can we relate to someone if we aren't sharing a story about ourselves in why we do what we do, or why we believe in what we chose to make a career out of doing?

Without this mindset, when building partnerships, we can often show up strong-arming people instead of asking how to support them. By combining grace and empathy together, you allow yourself and the person in front of you the opportunity to say their 'no' and move through *it together.*

As a for-profit organization that operates as a social enterprise, we aren't a nonprofit organization, but we want to be able to offer support to the local community in the same way. The question then became: how can we tell the community that we can do this for them if they can't find us on any directories? So we reached out to the government directories. My first call was a hard no; we wouldn't be able to be in their directory, no shot, the end.

At that moment, all I could think about were the people who wouldn't be able to navigate the health care field to get the best care out there because they wouldn't know we exist. We had resources available! I sat there for a second wondering what I could say to show this guy that we are different. And I leaned into grace and empathy.

He was doing his job! His office was swamped. I felt for him. Instead of ignoring his comment about being swamped, I offered him support. Essentially it took me two seconds, and I meant it. We do this all the time; we see people looking for support and we support them in navigating the health care system. Same as a directory! Only then did he see me as a human and really ask me questions. He was blown away and inquired more about our mission.

As a social enterprise, our goal is partnerships—not for us, but for our clients and their loved ones to navigate the healthcare system better. Without us, they would be left alone to figure it out. Ethical dilemma, no?

So we made and grew a partnership by treating each other with empathy and grace. And now we get more calls from this partnership for clients who are having a hard time navigating which supports are out there for them. Think of how great a gift it is knowing you did all this irrespective of the industry you are in."

—Alana, Operations Manager

Franchise development

Here we took a very different approach from moving at the pace of business. We slowed it all down.

We realized that we had to slow down the speed at which franchise sales were happening to ensure that our team was focused on the existing franchise partners rather than new ones. We wouldn't have a second chance at the first impression, and our ability to be present and focused on our existing franchise partners was going to be critical for our longterm relationship with them.

So we paused franchise sales for six months! We intentionally told everyone that we would not divert our attention from our existing franchise partners. We would not focus on a new onboarding process until we had ensured a solid foundation for the franchise partners we already had. We didn't strike when the iron was hot, we waited.

This also gave us time to learn on what worked. And we baked all of these learnings into how we do franchise development today. We now have a:

- New recruitment policy focused on values above all else
- New marketing initiatives focused on being relational versus transactional
- New onboarding process and supports that is comprehensive and supportive

We are seeing our new franchise partners hit targets earlier and with a foundation for future growth.

Getting our head into the cloud

> *"One special moment—and a great example of how we do things differently—was when we were all in that canoe brainstorming and writing for our board meeting. As we moved across the lake, it wasn't a stuffy boardroom with seats. It was thinking inside the boat, but outside the box. Even our pattern on the lake was not linear that day."*
>
> *—Susan, Board Member*

Getting from the tactical to the strategic takes time. For the first twelve months we focused on understanding the business, the challenges, the roadblocks, and how to build processes from the get-go that would overcome these struggles.

We streamlined how the business works, and it is now in a place to readily double in size. This focus on processes and structure allows our heads to get back in the clouds and plan for three, five, and ten years from now.

"I'm a tech guy. Technology is my bag. There was a time in my life when I was constantly playing with sensors and electronics and microprocessors and I just wanted to automate everything! When you're walking around with a high-tech hammer, everything looks like a high-tech nail.

Now my approach to technology is much more measured. When you're in the business of providing premium-quality, high-touch, human care, too much reliance on technology can lead you away from your values and mission. And then your business model starts to look like every other mainstream corporation, focused on maximising profits at scale and using automation to cut those pesky, emotional, needy, and expensive human beings out of the path of growth, efficiency, and progress!

So for me, as I evaluate technological solutions for fit, I'm looking for technology that can enhance *our ability to provide high-touch care. How does tech allow our human caregivers, schedulers, administrators, and local business owners to spend* more time *engaged in caregiving and human contact? How do we automate the parts of their jobs that are* not *engaging with loved ones?*

This is very much within the domain of software, and strategic partnerships with best-in-class software developers becomes absolutely critical for us as we develop a robust ecosystem of highly effective, ergonomic tools for our franchise operators and staff.

I'm also looking for technology that allows us to improve the quality and the value of care we provide. This is where partnerships with hardware and sensor manufacturers becomes a strong strategic move. While we never *treat our loved ones as a number, having access to better, deeper biometrics will provide our care providers and the wider team* *of medical and support staff with valuable data to monitor, assess and respond to client needs. Further, enhanced metrics and telemetry will allow us to make data-driven decisions about our own operations and processes that will translate to a higher quality of care.”*

—Tom, CTO

Rushing to resilience

We started off in business ownership with a sense of panic and urgency. There was so much to do, and in some ways we felt as though we had to do it all more quickly to build trust with our franchise partner network. We wanted to prove that we were different, we were learning, and that we were adding value each day.

With twelve months under our belt, we are slowing down to prioritize doing things really well versus doing things quickly. We have moved our focus to resilience, not just for franchise partners, but for everyone.

“I started my entrepreneurship journey in the wellness space as a Mind and Body Connection Coach. I’ve facilitated group workshops centred around community healing and held over a dozen events. I experienced the power of coming together for a common purpose–to heal and rise. Shortly after that I started doing websites as a side business, and eventually got into branding. I started working with corporate companies. Due to the nature of my work as a Wellness Coach, I realized how disconnected the ‘business’ world was; it was a journey in itself to find a balance between impact and income. From connecting so deeply to the community to having to compromise my values in order to conform to an outdated system, [this world] did not align with what I believed in.

Now working with Just Like Family reaffirmed my belief that it is possible for all of us to win, and the secret is in collaboration, integrity, and collective growth.”

—Gigi, Franchise Development

By putting people first, that includes ourselves! We strive to be a place where we all enjoy coming to work. We encourage each other to sleep well even when things are feeling heavy on us – mistakes happen! We include the fun and joy, knowing that we have decided to spend this time together and our mutual commitment to making a difference.

> *"I think what people forget when developing a company or developing a team is that the team you choose is now your community. You are a product of the five people you are in contact with the most and this means your work team counts! This team should ooze the values, should be the values, and should view this job as not a job but a place where they and you belong simply because your only role is to make people's dreams come true."*
>
> *—Alana, Operations Manager*

From fear to confidence

> *"There have been so many times that I have questioned if I was the right leader for this work. I often say that when I started this eighteen months ago, I knew nothing about home care, health care, or franchising. In retrospect I'm starting to think that that was all a saving grace. First off, I just would have played by the existing rules if I had known better. And secondly, if I had known better about what I was getting myself into, I probably would have chickened out."*
>
> *—Carla, CEO*

We are committed to not making business decisions based out of fear.

The opposite of fear is not fearlessness. It is actually trust. The win-win approach is all about trust and building relationships in a people-first way.

Over the first year, it was interesting to see fear tactics being used in business. It is the normal way of business and is embedded in almost every part of business interactions.

But when we realized that we had already done the impossible, how could we possibly be scared? We could boldly face the future with the phrase, “What’s next?”

> *“What was the biggest mistake that we made? I wish that there was just one and I wish I could figure out which was the biggest! I think that the most important thing is that we started getting used to making mistakes and being resilient enough to move forward even when things felt impossible. Whenever something went wrong or we hit a new roadblock, we stopped panicking. The first three months I remember thinking that everything was a reason to panic. But a year later, we now just see the next roadblock and think, ‘That’s it?’”*
>
> *—Carla, CEO*

Epilogue

> *"My question to you is: 'What would you want people to toast you for at your 80th birthday?' Whatever your answer is, I doubt you want to be remembered for being afraid. Better yet, 'we toast you today because you* never *operated outside of the box, here's an engraved clock for all your hard work over the last 30 years.'"*
>
> *—Alana, Operations Manager*

This is the tip of the iceberg. We have been asked incessantly over the last year about our five-year plan. We have a three-year strategy that is reasonably on track. Five years? Who knows! Maybe by then we will have exceeded what we started out trying to do because the rabbit hole will be further explored.

What keeps us dreaming?

#1 Duh! The opportunity of social acquisitions!

The idea that impact can be accelerated through this model keeps us excited. Also, the opportunity of literally over a hundred thousand businesses that will be changing hands in the next decade and the way this transference could lead to more charitable ownership. What is better than a business that has been successful for the last thirty years and now no longer has a succession plan? Seems like a clear winner to buy! Would they be very excited to have the legacy of a charity taking ownership? Would the community be supportive of knowing that the great business isn't closing down and now has charitable ownership? Hard to argue with the logic!

#2 Other equity investments!

Let's finally move those impact investments from debt to equity. Why cap the upside? Why just ask people to pay you back when you can jump into the same boat with them? This can be through funds or fund-to-funds. Even if you aren't ready to buy a business directly, that doesn't exclude you from equity investments! Remember, charities are accredited investors and have this golden opportunity.

#3 Community wealth-building

Charities buying businesses is the beginning of real community wealth-building. The dividends from a charitably-owned business are poured back into the charity to do the work that they are doing in the neighbourhood. Maybe they are now able to provide more sustainable programming, and maybe that equips people in the community better; maybe another business investment opportunity presents itself for the charity to work in relationship with someone in the community. Who knows what is next?!

#4 Proving that social purpose businesses are just better

People are starting to see real proof that people-first businesses with a social and environmental impact can actually be higher quality. This includes re-thinking how jobs work and how job descriptions are made, how partnerships and collaborations are actually possible, and how disrupting existing systems for good is better for all!

These four points are just the beginning of our dreams. We can't wait to discover other amazing opportunities that we find as we explore the rabbit hole that we are in.

> *"One of the greatest things about being CTO is the opportunity to engage in foresight (when you can pull yourself enough out of the weeds to do it). Since the word 'technology' is baked into the job title, most CTOs focus*

on the latest innovations, bleeding-edge technology developments, and market trends relating to consumer expectations and behaviours in their space.

But when the focus of your business is not unbridled growth for growth's sake or maximizing shareholder profits, but maximizing social impact and improving human quality of life, the object of scrutiny has to shift away from tech for tech's sake. When the vision of that business is nothing less than the disruption of current exploitative and unsustainable economic models that benefit the few at the expense of the many, and the creation of a radical, alternative way of investing in the future of humanity, well, everything *comes under scrutiny.*

It's not like there's a user manual. (Actually there is, and you're reading it.)

When I do foresight work for Just Like Family, I try to be optimistic. When considering the future these days, that can be a challenge. It seems like everyone else is hell-bent-for-leather to deplete the world's resources, trying to make enough money to be self-sufficient without the need for support from society, friends, communities, and neighbours.

It's not always been that way. It's not the human condition to be isolated islands. We are designed to live in community–real, physical, multi-generational villages and tribes filled with diversity, wisdom, and yes, compromise.

When I look ahead, I see two possible futures: one where our North American society continues to spiral down this individualistic path and companies like Just Like Family Home Care become more and more critical in providing the support, connection, human touch and care that we all need as we age and face challenges that diminish our capacity to care for ourselves. In that version of the future, Just Like Family Home Care continues to shine the light of leadership in advocating for the basic human right of aging with dignity and compassionate support, and providing the knowledge, the process, and the resources to do so. Revenues from impact investment in our business allow other social justice organisations and communities to extend their programmes that *bolster the underprivileged and the needy.*

In the other possible future–the one I prefer–Just Like Family's disruptive business model has shown us the benefit and profitability of values-led, impact-driven social enterprise, and along with other like-minded thinkers and organizations, has enabled an alternative sub-culture to flourish and eventually become the mainstream. In this future, Just Like Family Home Care has become obsolete, because we will all be working and living once again in communities of mutual support and care.

If we can work really hard to bring about wholesale societal change, we can eventually put ourselves out of business. And that's a version of the future that's just fine with me!"

—Tom, CTO

We would be remiss if we didn't tell you that the most common phrase out of our team's mouth is "I'm excited." Literally every day a minimum of one of our team members says this. Even when we are onboarding new franchise partners, we hear a very high number of people say, "I'm excited." How could you not be excited when our entire team believes in the change that we are making in the world each and every day? The concept of making money and making an impact is being lived out.

"We are trailblazers. I hope we don't get tired. We will begin to experience more and more pushback because we're breaking a mould. But I think that we are on the right path and if we continue to support one another, I think we'll be better than okay. We will be change agents, and we are changing. But we can't get tired. We can't stop. We've come too far. And so when the pushback comes, we're gonna push back together."

—Susan, Board Member

For you, we leave these final words that keep us moving forward and keep our team excited. What would the systems, businesses, and capitalism look like in North America if more things like our business happened? Our hypothesis is that it would be win-win-WIN and get us on a new trajectory.

If something is "how things have always been done," we need to ask ourselves why? Is it still working? Did it ever really work?

We believed that the missing link was having a plausible alternative. We knew that we had to jump in with two feet despite not knowing anything about home care, health care or franchising. If we didn't do it, who would? There is a prolific fear of the unknown–and a model that combats that directly was needed to overcome the natural objections to change.

We believe that we have done that. And that this is still just the tip of the iceberg of what win-win can do.

> *"We had literally just finished our year-end, we were preparing to pay off one of our private lenders, and I was looking around to see if I could finally celebrate without being sideswiped. I called up one of my board members to check in and give her a status update when she instantly started speaking about all the opportunities and things that we could now consider.*
>
> *She started throwing [out] ideas for future acquisitions, ways to expand, and literally how we could quadruple in size. I nearly had a breakdown on the spot and said, 'I think I need a minute'. That is what the first year had felt like. And I just needed a minute to get ready for year two.*
>
> *And now? Now I'm ready for the next impossible."*
>
> *—Carla, CEO*

Appendix A: Where does win-win come from?

We are not saying that this is the most amazing thing that has ever happened. We don't think that we have invented something so remarkably different that we deserve a Nobel Peace Prize or to be put on a pedestal. Quite the opposite, in fact.

We are recognizing the genius of 40,000 years of human evolution. We think of ourselves as being "evolved" and "modern." But maybe we have lost something in the fast-paced expansionist growth that we are focused on. So much of today's generations' expectations are reliant on double digit growth rates of the economy and opportunities that our ancestors lived through over the last century. With double digit growth no longer being the norm, it is creating a world where we can only experience our standard of living by someone else not getting what they need. This is creating a world of "haves" and "have nots."

Where did the concept of win-win come from? Arguably the world was always about win-win.

In hunter-gatherer societies that had less than 100 people in a village, it took everyone in the village for everyone to be successful. Hence the adage, "it takes a village." Even though there were arguments between clans, there was still a common understanding of sustainability and mutuality manifested in not over-hunting.

It was in these societies that everyone was valued. Many societies encouraged females to be hunters, rather than a gender-based role of gathering. There was an understanding that everyone was needed for survival and that those with skills should be utilized for the collective good. With everyone having a common goal, you could trust that everyone was moving in the same direction together. It benefited everyone to work together.

The common goal of survival trumped all. In fact, if our ancestors hadn't been win-win focused, we probably wouldn't be here. Having a common goal and considering how everyone can benefit is a very old concept.

What happened as societies became larger is common goals disappeared. Self-preservation emerged and was no longer directly linked to a village's preservation.

We see this in the way societies have evolved differently. Sociologists and anthropologists call it collectivism versus individualism. Certain parts of the globe have cultural norms of being collectivists including Africa, Asia, and South America, whereas parts of the globe that are individualist include Europe and North America.[120]

Could the lack of common goals be part of the reason this changed? Once a civilization exceeds 100 people, there becomes less reliance on each other overall. It becomes more of a dog-eat-dog world, with some people winning at the expense of others losing. The larger population no longer curbs bullies and bad behaviour in the way that a small village would.

In South America, Africa, and Asia, it was these smaller communities that continued to act as the norm. In Europe and North America, huge cities emerged with most of the population gravitating towards them. The people in the city did not feel that they equally needed resources to survive.

This approach means that we think if someone else is doing well, that means that you can't do as well. It begins to divide up the pie into small and big pieces that people fight over, rather than working together to expand the size of the pie.

Win-lose is an approach based on scarcity. The concept that everyone can't win automatically creates winners and losers. It creates polarities such as the rich versus the poor, rather than thinking about the abundance that our world has and the fact that everyone could in fact "win."

With scarcity as the underpinning, it becomes harder to work with each other. It becomes harder to trust each other enough to work together when we are suspicious that the other party is trying to win (and therefore we will lose).

But at Just Like Family Home Care, once we realized how win-lose the world was, we kept seeing it show up in different ways. It came up when:

- people were behaving in a way that was clearly one-sided
- there was a stalemate from the beginning that would never result in a mutual collaboration
- people came to meetings with a clear agenda
- people were behaving badly and mistreating others
- people were projecting onto others what they were doing themselves
- people were trying to inspire fear in us so that they could get something
- it was clear that decisions were being made from a place of fear

None of us can really pinpoint when we realized that what we were doing was win-win and that this was different. Still, it came as a shock when we realized that the win-win approach was a novel way to look at business.

> *"The lack of trust, it's just been so inherent in business to have a winner and a loser. Everybody moving in the same direction is just so foreign. We constantly came up against personalities that couldn't believe in win-win because they thought they just hadn't seen [yet] how we were going to screw them. It doesn't mean for somebody to win that there must be a loser." – Sarah, COO*

Appendix B: Principles of the win-win approach.

During the journey of acquiring and owning Just Like Family Home Care, we developed principles that shaped our culture and led to our success.

Principle 1: Improvement over perfection

We agreed that the solution we strove to create would not be perfect, but we would continue to raise the bar. We wanted continuous improvement to be at its core.

If we had tried to be perfect, we would never have started this experiment.

This is a constraint for a lot of charities and nonprofits when they start something new. They have very high standards of what a program or social enterprise needs to be from the start. This stems from the existing governance structures of charities and nonprofits that have a board that is focused on mitigating risk. Part of the perceived risk is the reputational risk of being involved in something that doesn't fully match the existing values of the organization. As you can imagine, a lot of the necessities of a successful start-up are at odds with this approach, as you don't have a perfect service or product that you are going to market with at the start. There is no way anything new can hit this high bar. Aiming for perfection prevents a lot of experiments from getting off the ground.

For example, if a charity wanted to create a home care business from the ground up, they would have a very hard time wrapping their heads around it. They would want the following:

- The option to make services free, as they wouldn't want to be perceived as taking advantage of seniors who pay for services
- All staff to be paid a living wage from day one with full benefits, as that is how they would want people to know them
- Top tier quality with no expense spared so that even before the business reached *break-even,*[121] they would want to buy gifts and provide raises
- A self-sustaining program, as the board would not be willing to risk the existing programs that were being run by having a social enterprise that was not performing

Many of these criteria are at odds with each other and create a potentially insurmountable mountain that a charity might see as not worth exploring further.

In fact, *cooperatives*[122] face these challenges, too, with many competing priorities. This is why the most successful co-ops in Canada are *cooperative conversions,*[123] that is, existing businesses that have been converted into a co-op once all the growing pains are over.

When changing the world and making it a better place, there is a need for grace. We needed to take the stance that we would not be perfect, we would offer ourselves grace, and we would just do our best. We would keep on improving and change what we could when we could.

A stop-gap was that we talked about these plans all the time! And not just internally. We broadcasted what we were thinking to the media, to partners, and to each other. By putting it into the ether, we grew more co-conspirators and kept ourselves accountable to this future direction.

The good news is that because we didn't know what we were entering into, we didn't know how many places we could change! We still have lots to do as we learn about ripple effects and opportunities for impact in new ways.

For example, a side effect of grace for ourselves is that grace is part of the learning and training for new franchise partners. We speak about grace during our orientation training and how this impacts them as well as their caregivers. If our business is about people first, grace will be important.

Principle 2: Even painful mistakes can lead to learning

If it hasn't been made clear already, we did *not* know what we were getting into!

We didn't know anything about home care, health care, or franchising. We might even layer on top of that we didn't know enough about human resources, management, leadership, finance, or international marketing.

We entered this business with impact investors who understood that this was daunting but that the market was there and that it was worth the risk. It wasn't worthwhile to stress about the cost of learning in the short run, as long as we were growing in the long run.

We estimate that our first year cost us (on the low end) a quarter million dollars. This was the cost of not understanding franchising, the additional acquisitions costs, the additional accounting costs, and just overall learning. We were lucky to have investors that understood this and were committed to a larger experiment that we were learning about.

Principle 3: Pay it forward

We believe that by documenting our story, the savings for others' learning is the biggest way that we can pay this forward.

At an event in Indianapolis, we were speaking with a private equity manager and his girlfriend who was a photographer with no business background. She admitted to being a little intimidated by business. In less than five minutes we explained the entire acquisition process of a business and the moving parts involved to get it done. The private equity man gave us kudos, and even better, his girlfriend was astonished that she understood the acquisition process. This was a win!

Principle 4: Collaborate from the beginning

It is easy to say that collaboration is important. In fact, almost everyone agrees that collaboration is a good idea. But it is almost impossible to do it.

We knew that if we were going to truly collaborate, we would have to work at it. We'd have to set ego aside and choose humility. We'd need to listen and learn rather than dominate conversations or show off our own knowledge. And perhaps most importantly, we had to enter meetings with open minds. If we came with preconceived notions, we would never find common ground that would allow us to work together in a way that was mutually beneficial.

From the beginning this was about the collective. Having more people on board was a win. To do this we had to have a few things in place:

- We had a *vision.* Our vision was to change the narrative of aging, and we believed that transforming home care was a pillar of this vision
- We had a *mission.* Our mission was to put people first in all aspects of our business
- We made decisions that were consistent with our bigger vision, such as supporting a new health care aid advocacy group and nonprofits' access to grants
- We empowered staff to make decisions and feel confident based on the larger vision (rather than micro-managing)

It was these pieces that started to change the business from a business into a movement. There was an understanding that we already had just under 2000 employees and franchise partners across the country. This was a lot of people thinking about making a difference in people's lives.

> *"I believe we are countercultural. And I say that because our culture really doesn't expect things to go well and work[s] cooperatively by inviting various opinions and stakeholders to be a part of the process. [Larger] culture says, when there's too many voices, that usually creates chaos. I think we've been just the opposite of that. I think our advantage is*

> *having many voices. How could this be? And so quickly. That's amazing to me." – Susan, Board Member*

Principle 5: Question the norms

If things are done a certain way "because they are always done that way," that is when we really dig in our heels and start asking more questions.

> *"We have an expectation of how things are supposed to go. This is preconceived because we are hard-wired to see patterns in life that make us go, 'Aha! I've seen this before...I know exactly how to handle this.' We believe that 'we should tackle it the same way because that's how it was done last time' [and] "It's safer to try a method that seemed to work 92% of the time.' Trying something new has the off-chance of being wrong. How scary is being wrong?"*
> *–Alana, Operations Manager*

Coming into the home care business knowing nothing allowed us to think bigger! We thought that:

- Dedicated caregivers were normal. Sending in the same caregiver repeatedly to a client so a therapeutic relationship could form was normal to us
- Having shifts where the caregiver was encouraged to make a pot of tea and sit down with the client to play a game, look at photos, or have a conversation was a human thing to do
- Having a tech solution where family members across the country or world could have real-time access to the care notes and progress of the care plan with their parent was common sense
- Following up with the families proactively to get feedback and constantly adapting the care and caregivers felt like good business
- Encouraging caregivers to go above and beyond to bring clients their favourite soups or lattes or whatever, and then creating a business process

that encouraged this even further seemed like a great idea

If you don't know anything about home care, just assume that everything above is mind-blowing. It's probably good that we didn't know better!

Similarly, we came into franchising not knowing any better:

- We didn't know that slowing down the franchising process was not normal. Speeding up the recruiting process is part of emotionally selling and it is about getting the money in the door
- We didn't assume that franchise shows were the best way to grow awareness or excitement about our brand. It didn't feel relational to us or like a good fit
- We questioned franchise brokers. Did they really care about the fit between the franchisor and the potential franchisee? Were there other organizations that would be a better partnership?
- We didn't know what good support looked like. So we just added support that we believed to be good business

Here is a great example of how we didn't let existing norms and rules apply to us. Our first face-to-face board meeting was actually in a canoe. The *directors* showed up for our retreat and we had some heavy lifting to do as we only had a few weeks before we would acquire Toronto. Instead of sitting in a boardroom, we all hopped in a canoe with the person in the middle taking notes. People say that marriages can be made or broken on a canoe ride. Maybe the same should be said about boards?

Once you realize that certain norms and rules don't actually make sense, you have liberation to think and be different. You have a chance to make a real impact.

Principle 6: Commit to a people-first business model

> *"Health care is not furniture. In furniture, you know how a desk is supposed to look and function because, well, it's a desk. You could also hire someone to build your desk for you and you never even have to care about the mechanics of building one. You know where to put the screws and wood because that's what you did last time. In business, we often view the humans we supervise or interact with as desks.*
>
> *But people are not desks. I think logically we all know this, but our actions prove otherwise. By making assumptions about people and equating them to patterns and numbers, [we are] telling the world that people are inanimate pieces of office furniture.*
>
> *Businesses are people first, because what are you without your people?"*
>
> *–Alana, Operations Manager*

We discovered this opportunity due to the experiment of a charity buying two franchise locations. When we were performing due diligence, we had many questions about what made the company different and if this difference was sustainable.

The interesting thing that came out was that there was a huge ripple effect for all people around the business when they were putting people first. It was not about just the seniors aging in place. It was their families, the caregivers, the other staff, and the owners themselves. The community. People were the heart of this and always would be.

We knew we were starting with something special and that we needed to keep creating a culture where people were first from the beginning. We couldn't do this for just our clients; we had to understand what putting people first looked like for our caregivers and all of our staff.

That meant that our first year had to focus on reinforcing the culture of the business.

Going back to 'what gets measured gets done'. If you are only speaking about money and measuring how much money you are making, then all you are concerned about (even if you say people are important) is going to be money.

We had to change what people were speaking about. A great example of this was during one of our team meetings, where instead of announcing who was making the most amount of money in the first five minutes, we asked everyone to share what they were most proud of over the last month:

- One person shared that their first client that they had been supporting for years had just passed away, and that they had been with her every step of the way. They missed her and were grieving. They were also proud of the support that they had provided along the way to make the journey easier
- One person shared that they had always had staff to fill shifts, but there was an emergency and they had had to fill in for one of the shifts. It was their first time and they were grateful for the experience as well as proud that they had done that
- One person had filled in for their Community Health Manager who was on vacation for two weeks. He hadn't been responsible for direct client care and having conversations with clients for ongoing support before that. He was proud of the service that his business was providing and also that he and his wife were able to care and support all of his clients with his support manager away

Everyone listened and shared. It only took one person opening their heart for everyone else to start. These are great people that we have as part of the team, and it is some of these little rituals and practices that put people first.

> *"When I learned of the sale of Just Like Family Home Care, I was excited to see what changes may come. Learning of the unique ownership and business model, I was intrigued; I'd never heard of a for-profit business being owned by charitable organizations and 'impact investors.' As someone with a background working in the charitable sector, I knew this could be something amazing that aligns with my personal values.*
>
> *The year I have spent working with Just Like Family Home Care since*

> *it changed hands has been exciting, inspiring, and* busy. *I've watched (and hopefully helped!) as new initiatives have been implemented and growth has taken place. The most inspiring aspect has been seeing how the leadership is 'walking the walk.' While change brings ups and downs in any organization, there is a strong feeling of being part of a real team. Change has brought an increase in diversity and [a] focus on* the person *versus* the money*. The new additions to the team have brought compassion, dedication, and empathy, and there is a resounding feeling of working* together *towards a common goal of making a real difference in the lives of everyone involved in the organization. I look forward to seeing–and being a part of–what's to come."*
>
> *–Karen, Marketing & Communication Specialist*

Principle 7: Nothing is impossible

Probably the most interesting posture to hold is that we never thought that it would be impossible. We realized after we had raised the money and bought the business that doing that in less than ninety days with no existing fund was quite incredible.

> *"I was told in my teens the good old saying, 'don't put all your eggs in one basket.' Well, why not? If I believe in it and it's worth advocating for. Nine times out of ten people tell you this because that's the way it's always been. The message here is put your eggs in that one basket and believe in yourself to carry that basket as far as you can and as creatively as you can. When we do this, we unlock our secret power. That secret? Fearlessness. When you have fearlessness you are unstoppable. When people say no, you say, 'But why not?' If we're constantly saying, 'Well this is how it's always been done,' then imagine how bizarre this is when you add fear in the mix. This is the pivotal moment where we need to do the opposite. You cannot and will not set yourself apart from others if you operate in the way it's always been or in fear of challenging the norm."*

–Alana, Operations Manager

Notes

PROLOGUE: WE ARE THE BEST! A NON-EGO APPROACH TO BUSINESS

1 Business language is shockingly approachable language that people assume they shouldn't understand, so they put up a mental block that makes it impossible to learn. If we don't think that we can learn something, our brains shut down and prevent us from learning (think about a difficult math class when your brain just stopped working). We believe that business should make sense. Just like in the movie *The Big Short*, if it doesn't make sense, it probably just doesn't make sense.

AND SO IT BEGAN.

2 *ROFR* is a Right of First Refusal and is a legal term to indicate that if a future opportunity were to arise, the individual or organization is allowed a kick at the can first. This can reference purchasing a territory, more shares, a property, or really any future opportunity.

3 *Line of credit* is when a financial institution (typically) gives you pre-approval for a loan up to a specific amount, but you only exercise the use of the loan when you need it. So if you have cash in the bank and can use that money for something, you don't have to use your line of credit and don't have to pay interest on it. However, if you have a cash crunch and need to dip into your line of credit, it is there.

4 *Execute the ROFR* is just the legal process of taking advantage of the opportunity for which you reserved first rights. Typically, there is a formal process that must be followed in order to use the RoFR.

5 *Franchisor* is the corporation that has the right to sell franchisee territories and award franchise agreements. Think about a large restaurant chain: each location is a franchisee and the head office is the franchisor who builds the brand, creates the processes, and ensures consistency.

6 *LOI* is a letter of intent, which is a legal document that indicates that you wish to further explore an opportunity. By signing an LOI, you are committed to spending resources (time and money) and will need access to potentially confidential information in order to make a decision on whether to move forward with the opportunity.

AN UNLIKELY CATALYST.

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WHAT’S IN A SOCIAL ACQUISITION?

12 *Merger* is the legal process of two organizations (typically corporations) becoming a single entity. This will require the management of both organizations to work together on what the future will look like.

13 An *acquisition* is when one organization purchases the other organization. The purchaser will have a strategic plan and direction of what they see the two organizations doing together and how it will operate moving forward.

14 *Strategic partnerships* are often formalized agreements of how two organizations will work together. Strategic partnerships can be short-term or long-term and come in all shapes and sizes. Frequently it will include some confidentiality clauses.

15 *Joint ventures* are when two (or more) separate organizations co-create a new corporation in order to achieve something together.

16 *Balance sheet* is the accounting methodology of showing a snapshot of the assets, liabilities, and owner’s equity at a point in time. But in this usage, we are referring to the balance sheet as the ability to demonstrate to a financial institution that the corporation has enough cash and other assets to make them a trustworthy borrower.

17 *Due diligence* is the process of learning about any risk that could impact your business decision. Anything! Different business decisions have different risks. Think about buying a used car and the research that you do about the car that you are buying. Were there accidents, what is the consumer rating, what’s the mileage on the car, what is the durability of the car, is the ownership paperwork in place, is there anything else you should know prior to the purchase? That’s due diligence.

18 *Fundraising* is used by charities and nonprofits when they get donations. For-profits also use the same term for when they raise money for acquisitions or new projects.

19 *Financial proformas* are financial projections of how much future revenue and future costs you can expect. It is business planning with just the financials, and a demonstration of how the financials could play out based on what is known today.

20 *NDA* is a non-disclosure agreement which outlines what is considered confidential and how the parties involved in the NDA will behave with this information. This is often signed with an LOI, a partnership agreement, or any time that one party perceives that the information

that they are sharing is confidential and could negatively impact their business. It is a best practice for NDAs between corporations to be mutual.

21 *Pitch decks* are the story of the business plan in a presentation format. This is a more common way to attract investors, whereas a business plan is requested by financial institutions.

22 *Sensitivity analysis* is when the financial proformas are tested on their assumptions by increasing the costs and decreasing the generated revenues to determine if there is risk in the plan.

23 *NPV* is Net Present Value, a handy formula that allows you to take future cash flows of an opportunity and identify the current value of that opportunity. For example, if you wish to run an AirBnB and are looking at a location to purchase, you could determine what your monthly income would be from renting it out, put in how much money you would like to make on your investment (say 10%), add in how much you would sell it for two years from now, and use NPV to determine the max amount that you would be willing to pay.

24 *Shares* are the representation of the amount of ownership that someone has in a corporation.

25 *Corporation* is the legal structure of many businesses as it allows for multiple shareholders and has limited liability for investors (meaning that it is a separate legal entity and, in many instances, if something bad occurs it is only the corporation that is considered at fault).

26 *Direct equity investors* are individuals or organizations that own shares for non-public companies (not on a stock exchange) and who are not directly involved in the day-to-day operation.

27 An *accredited investor* is considered a savvier investor as they have investment assets of over $1M and are considered to be responsible for their own investment decisions.

28 *Upside* is when returns are higher than expected. As the owner of the business, part of the upside would be that you could make a salary and net income. As an investor of the business, instead of having consistent interest rate payments, you get dividends, which are payouts to investors when the business has hit certain thresholds.

29 *Financial institutions* are banks and credit unions that lend money to individuals and businesses.

30 *Collateral* is the security that is in place to protect the financial institutions if you are not able to pay back the loan.

31 *Common shares* are the normal type of share that is issued by a corporation. They represent one vote for every share during annual general meetings.

32 *Classes of shares* refers to the different types of shares that are available. There can be multiple classes with Class A shares being the ones with the most amount of risk and the most voting rights, and other classes having less risk or decision-making powers or having a guaranteed dividend. The sky's the limit when it comes to how these are created.

33 *Preferred shares* are shares that are paid out prior to a common share. So, they are paid right after debt but before paying common shares.

34 *Promissory notes* are the legal documentation that you would put in place with a private lender.

35 *Business terms* are the negotiated agreement between the two businesses. These business terms are provided to the legal team to legalise them.

36 *Shareholder agreement* is the legal document that articulates the terms and conditions that the corporation and the shareholders must abide by.

37 *Subscription agreement* is the legal document that confirms the investment of the accredited investor.

38 *Trust account* is simply a bank account that is custom designed to execute larger business transactions and is controlled by a legal team.

39 *Share purchase agreement (SPA)* is the legal document that transfers the shares from one individual or organization to another. An SPA means there is a change in the operators of the legal entity that is a corporation. The benefit is that typically all of the legal agreements and processes are already functional, but various government departments need to be made aware including the CRA and work safe organizations. If there was a legal liability on the corporation, this is transferred to the new owners.

40 *Asset sale agreement* is the legal document that transfers the assets of a company from one individual or organization to another. It puts a value on the agreements and the equipment, and sells them as tangible assets to the purchaser. The advantage is that any liability incurred in the corporation doesn't impact the buyer.

41 *Transitions Agreement* is a legal document in addition to the purchase agreement that specifies the transition period, including accounts receivable/accounts payable, communication, and support that could be incurred.

42 *Non-compete* is a legal document in addition to the purchase agreement that prevents the seller from competing for a specified period of time.

43 *Releases* are another legal agreement at the time of closing that releases both parties of any legal ramifications to make it a clean cut.

THE USUAL SUSPECTS ARE NOT USUAL AT ALL!

44 *Fiduciary duty* is the responsibility of the investment committee to protect the assets of the charity and ensure that they are investing in a low-risk fashion.

45 *Directors* are the individuals who sit on the board of a corporation and provide oversight for the CEO. If you've always wanted to be a CEO, just remember that they have multiple bosses depending on how big their board is.

THERE IS NO SUCH THING AS A GOOD DEAL.

46 *Exit strategy*: The plan that an entrepreneur has to sell their business and cash out on the value that they have created. Often, an entrepreneur is working all hours of the day and taking very little cash out of the business; they might not even be drawing a salary. This is all of the upfront work for them to then sell the business and recoup at the end of all of the work what they deserve in exchange for the value they have created.

WHY PURSUE A SOCIAL ACQUISITION?

47 "Social Enterprise in Canada: Structural Options MaRS White Paper Series 02." n.d. https://learn.marsdd.com/wp-content/uploads/2011/12/TIR_SCR_2017_MaRS_Social_Enterprise_in_Canada.pdf

48 "What Is Social Enterprise?" 2015. BC Centre for Social Enterprise. 2015. https://www.centreforsocialenterprise.com/what-is-social-enterprise

49 *Community hub*: A social enterprise model that rents space to nonprofits, charities, and other community groups in a neighbourhood. Many libraries and churches consider themselves as community hubs, especially in locations that don't have a publicly funded community centre.

50 *Assets*: The business term for the positive cash, equipment, accounts receivable, and other tangibles that are owned in the business. These are compared against the liabilities (the loans and accounts payable) that the business has. The difference is the equity, or the value that the owners or shareholders have in the business.

51 Manfredi, Nikky. 2021. "Next Economy Primer: Employment Social Enterprises." Centre for Social Innovation. June 20, 2021. https://socialinnovation.org/news/2021/06/20/employment-social-enterprises-breaking-it-down-so-we-can-build-the-next-economy/.

52 *Community benefit funding*: The additional funds that developers and real estate organizations contribute to the local neighbourhood as part of the planning process. Often these funds are attributed to enhancing the neighbourhood including upgrades to libraries, parks, and other public amenities.

53 *Social procurement*: The decision of an organization to use their funds for purchasers, including the suppliers/vendors that they select, to support social enterprises. For example, deciding to use a social enterprise café to cater a corporate event has ripple effects.

54 *Market opportunity*: A business opportunity that has arisen from a genuine need, either from a group of consumers or a type of business.

55 "Stella's Circle—Registered Charity in St. John's NL." n.d. Stella's Circle. https://stellascircle.ca

56 *Shared platform*: The intentional use of an organizational platform to support other organizations or initiatives. For example, many charities acted as a shared platform for neighbourhood groups that were fundraising to support Syrian refugees sponsorships in 2016.

57 *Social innovation*: Innovation and ideation creation with a social impact. Often this is just the process and doesn't have an organizational framework around it, just a glimmer of an idea or experiment.

58 *Back-office*: Providing the administrative support for another organization. Sometimes this can be structured as a percentage of the revenue of an organization, or can simply be set up as a contractor (fractional versus full-time support). Administration, technical, or financial support are the most common back-office supports that are included.

59 *Adjacencies*: Strategically an adjacency is a program or initiative that is closely related to something core that the business or organization is already doing. By choosing to pursue an

adjacency, the organization is able to leverage the learning or infrastructure that is already in place, thereby reducing their exposure to new risk.

60 "Home." n.d. New Dawn Enterprises. https://newdawn.ca

61 "SE Health Official Website | Well beyond Health Care." n.d. SEHC.com. https://sehc.com/about/news-media/se-health-strengthens-digital-edge-with-growing

62 *Cash flow*: The amount of money in your bank at any given time. Cash flow management is the intentional planning of ensuring that sufficient cash is in the bank as expenses and investments are incurred.

63 *Intellectual property (IP)* includes all of the unique ways of doing things that an organization has. This can be anything from your trademarks, logos, slogans, patents, packaging, business processes, ingredients, software, and anything written that can fall under copyright. It is the combination of this IP in a unique way that is often the foundation of a competitive advantage for an organization.

64 Dees, J. Gregory. 1998. "Enterprising Nonprofits." Harvard Business Review. 1998. https://hbr.org/1998/01/enterprising-nonprofits

WHERE ARE CHARITIES INVESTED TODAY?

65 *Theory of change*: A framework used by many nonprofits and charities to have clarity on how their day to day work is contributing to their vision and mission. It is often considered one level up from a strategic plan, as it is about how all of the inputs, activities, outputs, and outcomes of an organization are contributing to the systemic impact that the organization is striving for.

66 *Trustees*: This is a group of leaders that provide final oversight on the risk impacting a charity's decisions. They have final signing authority on financial decisions that could impact the charity.

67 *Investment committees*: This is a group of leaders in an organization whose role is specifically to manage the investments of the organization. Often this group is put in place once an organization reaches a larger amount of investments to warrant this additional attention.

68 *Endowments*: This is a type of fund that is part of a charity's investment decisions. There are often restrictions on how the fund can be depleted or used, and often its inception was a large chunk of funding that was designed to be there indefinitely.

69 *Trusts*: This is similar to an endowment, but typically isn't designed to be in place indefinitely. Again, there can be restrictions and specific uses identified.

70 *Reserves*: These are another type of funding allocation within a charity or nonprofit. Reserves are specifically allocated for a rainy day or if there is a turn financially for the organization. The amount of reserves and the duration that they are designed for can vary dramatically from organization to organization.

71 *General accounts*: These are the actual accounts that an organization uses on a day to day basis. The endowment, trusts, and reserves are all cash assets that are invested in various ways.

72 "8 Shifts in the Grants Landscape That Fundraisers Need to Know about | Imagine Canada." n.d. www.imaginecanada.ca. Accessed December 29, 2023. https://www.imaginecanada.ca/en/360/8-shifts-grants-landscape-fundraisers-need-know-about#:~:text=As%20per%20the%20Federal%20Budget

73 "Charities: Directors and Trustees | Ontario.ca." n.d. Www.ontario.ca. Accessed December 29, 2023. https://www.ontario.ca/page/charities-directors-and-trustees

74 The concept is that an existing, known organization that is typically affiliated with a brand is a safe bet for a business manager to make.

75 Hand, Dean, Ben Ringel, and Alexander Danel. 2022. "GIINsight: Sizing the Impact Investing Market 2022." The GIIN. October 12, 2022. https://thegiin.org/research/publication/impact-investing-market-size-2022

76 Hayes, Adam. 2020. "Accredited Investor." Investopedia. 2020. https://www.investopedia.com/terms/a/accreditedinvestor.asp

77 Gomez, Evangeline. n.d. "The Rise of the Charitable For-Profit Entity." Forbes. Accessed December 29, 2023.

78 Ali, Aran. 2023. Review of Ranked: The World's Top 50 Endowment Funds. Visual Capitalist. Visual Capitalist. May 16, 2023. https://www.visualcapitalist.com/worlds-top-endowment-funds

79 PFC, and Sara Krynitzki. 2023. "New Disbursement Quota Is Now Law and in Force – What You Need to Know | PFC—Strengthening Canadian Philanthropy." PFC. January 24, 2023. https://pfc.ca/new-disbursement-quota-is-now-law-and-in-force-what-you-need-to-know/#:~:text=The%20DQ%20remains%203.5%25%20on

FRANCHISING 101.

80 *Franchisees*: The independent business owners that own and operate the local organization. For example, this would be the McDonald's restaurant owner.

81 "A Brief History of Franchising—American Franchise Attorney | Washington D.C., U.S." n.d. https://www.franchise-law.com/franchise-law-overview/a-brief-history-of-franchising.shtml

82 *Franchisors*: The central organization that trains and onboards franchisees and owns the intellectual property and the processes surrounding the franchise brand. For example, this would be the McDonald's head office.

83 D, The Planet. 2010. "Why We Love McDonalds in France." The Planet D: Adventure Travel Blog. October 12, 2010. https://theplanetd.com/why-we-love-mcdonalds-in-france

THE EDGE OF THE RABBIT HOLE.

84 *Closing*: The process of finalizing a business deal. Think about the closing date in real estate when purchasing a home; it is the same thing.

85 *Clause*: One of the terms within a legal agreement. A single contract can have tens or hundreds of clauses within them, and each outlines a business term that was agreed upon.

86 *Operations manual*: This is your how-to guide on everything in a business, and is typically a critical document when selling a franchise as it should technically be holding all of your intellectual property (IP) and is legally referenced within the Franchise Disclosure Document.

87 *Intranet*: As opposed to the internet, which is externally focused, an intranet is a web portal that is for your team to store and share information.

88 *Sales funnel*: The formal process that businesses track of how new customers are aware of their business, become interested in their business, and how they eventually buy from them. Good salespeople understand their sales funnels, how potential customers (called prospects) move from one stage to another, and even know the percentage of customers that typically move from one stage to another. The best salespeople understand that the sales funnel doesn't stop at the close, and it is important to track follow-up and retention as well.

89 Canada, Health. 2022. "Summary Report of the Health Human Resources Symposium." Www.canada.ca. November 1, 2022. https://www.canada.ca/en/health-canada/services/health-care-system/health-human-resources/summary-report-symposium.html

90 *Expenses*: These are the costs in your business that are typically a monthly expense. In your first year of an acquisition you have acquisition costs which are additional legal and accounting fees. However, what you want to understand is your normalized expenses.

91 *Revenues*: This is how much money you are making before you pay anyone anything. This is considered your "topline."

92 *Valuation*: The formal process of reviewing an asset (in this case a business) and assessing how much it is worth. Just like there are valuators for real estate and jewellery, the same can be assessed for your business. Just like with anything, there can be a determined amount that something is worth. But at the end of the day, something is worth what someone is willing to pay for it.

93 *EBITDA*: This is a very long acronym for Earnings Before Interest, Taxes, Depreciation, and Appreciation. The simple calculation is revenue minus expenses other than the ones listed.

94 *Corporate culture*: The *je ne sais quoi* of an organization. This includes the values, vision, mission, practices, rituals, and the overall feel of an organization. For instance, Google was known for its campuses with chefs, ping pong tables, and bean bag chairs, whereas you would expect a Deloitte office to look really different. There is not a one hundred percent defined way to create a corporate culture; rather, it is a way of living as management and as a team each and every day that creates the corporate culture.

THE SUM IS GREATER THAN ITS PARTS.

95 *CDFI*: Community Development Finance Institute, or an organization that can act as a lender using their lending dollars to create impact locally or within their defined scope.

96 "Information for the General Public: Frequently Asked Questions | Community Development Financial Institutions Fund." n.d. Www.cdfifund.gov. Accessed December 29, 2023. https://www.cdfifund.gov/faq#:~:text=Community%20Development%20Financial%20Institutions%2C%20or

97 "Business Activities | Imagine Canada." n.d. Sectorsource.ca. Accessed December 29, 2023. https://sectorsource.ca/managing-organization/activities/business-activities#:~:text=Rules%20for%20business%20activities

98 Successful social enterprises in Canada: Buy Social Canada's directory of social enterprises provides access to the growing number of social enterprises across Canada.

99 *Stakeholders*: This is not the same as shareholders that own shares of a company. Stakeholders of charities include all individuals and organizations that the business interacts with. The charity values them as being important and worth consideration when it comes to impact and relationship.

100 "Acumen | Approach -." 2017. Acumen. 2017. https://acumen.org/approach

101 "The History of SEHC." 2015. Sehc.com. 2015. https://sehc.com/about/our-history

102 *Private equity firms*: Entities that do direct equity investment on behalf of a collective of accredited investors. They create a firm with the investors as the core or they create a fund that follows their investment thesis and parameters.

103 *Dividends*: The paying out of profits to shareholders.

104 *Ownership structure*: Governance of a business can have significant impacts on how your company is viewed, and most importantly how and by whom strategic decisions are being made. There are many different structures to choose from including a sole proprietorship, a partnership, a corporation, a nonprofit, a charity, and a cooperative. There continue to be new structures that are developed (including ours, that is a for-profit with fifty percent ownership by charities).

105 *Systemic change*: When something changes that is a foundational piece or the underpinning of a network of other things that are in place. Once changed this often has a lasting impact.

106 *Equitable ownership models*: Equity versus equality is the first part of this. Equality is everyone being treated the same, but equity is understanding that some have more privilege than others and that equity isn't always equality. For equity you need to provide additional support to those in need, and then in a business setting you extend this to who owns what.

107 *Tactic*: A strategy for something that is on a fairly high and detailed level. A tactic is more of an activity under a strategy.

THE FIRST NINETY DAYS.

108 *Accountability*: An acceptance of responsibility for both the good and bad outcomes of tasks and decisions.

109 *Low-hanging fruit*: The easiest and most impactful thing that you can implement.

IF IT WAS EASY EVERYONE WOULD DO IT.

110 *Premium*: Paying more for something anticipating that there will be more upside.

CULTURE EATS STRATEGY.

111 The Management Centre. 2016. "Culture Eats Strategy for Breakfast." The Management Centre. March 11, 2016. https://www.managementcentre.co.uk/management-consultancy/culture-eats-strategy-for-breakfast

112 "3 Prerequisites to Lead Culture Change." n.d. Blog.beingfirst.com. Accessed December 29, 2023. https://blog.beingfirst.com/prerequisites-to-lead-culture-change.

113 Ratnayake, Maggie, Shay Lukas, Sachi Brathwaite, Jessica Neave, and Harshitha Henry. 2022. "Aging in Place." Delaware Journal of Public Health 8 (3): 28–31. https://doi.org/10.32481/djph.2022.08.007

114 *Vision* is typically a statement that clearly articulates the direction or goal of the organization. This is designed to be motivational and also a guiding light for the employees and management.

115 *Mission* is a clear articulation of what are you each and every day. It is your state of being as an organization.

116 The saying, which in recent years has often (though perhaps erroneously) been quoted as an African proverb, might more likely be an anti-proverb responding to the old Anglo-American poem by Kipling, "He travels the fastest who travels alone." https://www.kiplingsociety.co.uk/poem/poems_winners.htm

117 "What Gets Measured Gets Done." n.d. Www.linkedin.com. https://www.linkedin.com/pulse/what-gets-measured-done-john-olivant

118 *Word of mouth*: The concept that the best marketing tool is when people are organically telling others about your business. Yes, this is a great place to be. But it is a common misnomer that 'word of mouth' is an independent marketing tool. Word of mouth can only get started with your other marketing tools working together for this to be possible. Asking for referrals, creating great customer service processes that result in customer delight, and communicating your value to your existing customer base including through reports, follow-up calls, or your newsletter are all marketing tools that make word of mouth possible. Word of mouth is not random.

CHANGE MANAGEMENT LIFE HACKS.

119 Covey, Stephen M. R. 2008. *The Speed of Trust*. London, England: Simon & Schuster.

APPENDIX A: WHERE DOES WIN-WIN COME FROM?

120 Drew (PhD), Chris. 2023. "Collectivism vs. Individualism: Similarities and Differences (2023)." Helpfulprofessor.com. May 25, 2023. https://helpfulprofessor.com/collectivism-vs-individualism

APPENDIX B: PRINCIPLES OF THE WIN-WIN APPROACH.

121 *Break-even* is the amount of sales that you need to start to make a profit. For instance, if you have a storefront for a café, you don't start making a profit each month until after the rent is paid. This is a simple calculation where you understand how much profit you make in an

average sale, and then divide that by your fixed costs. For the café, say the rent is $2,000 a month and they make $5 per sale after paying for the ingredients. After 400 sales ($2000/$5), they start making money each month.

122 *Cooperatives* are a type of organizational structure where instead of shareholders, you have members of the cooperative that make decisions about the organization. Typically, a member has a membership fee and there is a minimum number of members that are required for a cooperative to get off the ground.

123 *Cooperative conversions* are the result of existing business owners deciding to no longer be the owners, but instead of selling the business or closing it down, they create a new cooperative structure to take control of the business. Typically, in a cooperative conversion, the members in the cooperative are the employees. But there are many different types of cooperative membership structures to choose from.