

**CRISTINA DI STEFANO**

University of L'Aquila. Department of Industrial  
and Information Engineering and Economics  
cristina.distefano@univaq.it

# The Business Transfer through the Cooperative Model. A Comparative Analysis Italy-France

**ABSTRACT**

After a review of the literature on the topic of business transfer, the paper focuses on worker buy-out (WBO) operations, and specifically on those implemented through the worker cooperative model. By comparing Italian and French WBO cooperatives, the paper aims at extrapolating key factors and main actors of the WBO operation in the two countries. After an analysis of the legislative framework that supports the process in Italy and France, six WBO cooperatives are examined. The research methodology selected is a qualitative one. Through an international comparison, it is possible to highlight the main aspects of the WBO process that can be considered independent from the legislative framework in which such operation is implemented. Although the study is a first analysis that cannot be considered exhaustive, it allows for a better understanding of a business transfer typology that is still little studied by the literature.

**KEY-WORDS**

WORKER BUYOUT, BUSINESS TRANSFER, WORKER COOPERATIVE, ITALY, FRANCE

## 1. Introduction

### 1.1 Business transfer operations

The topic of business transfer has been receiving a great deal of attention in recent years, as it delves into a problem that several countries around the world have to face. Business transfer is defined as “the transfer of ownership of an enterprise to another person or enterprise that assures the continuous existence, and commercial activity of the enterprise” (European Commission [EC], 2012: 9); hence, the focus of the operation is on the continuity of the business.

As a matter of fact, the change of ownership is an obligatory step in every firm’s life cycle, be it because of intergenerational passage, because the company is suffering a crisis, because the owner(s) is no longer satisfied by the company’s results, or because the owner(s) does not want to continue investing in the firm, and arrives at the conclusion of liquidating the company. A transaction that is not properly managed can affect the company’s post-transfer profitability, or even its existence.

Studies published by the European Union (EU) show that numerous firms—and in particular small and medium-sized enterprises (SMEs), which represent the European manufacturing base—will not have a successor (EC, 1994; 2002; 2006; 2013) during the next years, and stress the economic and practical importance of the topic of business transfer. At the same time, the EU legislator encourages member states to remove the obstacles that limit the realization of this operation, and to implement supportive politics for business transfer.

More detailed studies on the subject have been carried out in some countries such as France (Chabert, 2005; Ferrero and De Loubens, 2013), the Netherlands (Van Teeffelen, 2010), Ireland, and Scotland (Ryan and Power, 2012). They are focused on domestic economy, and results are similar. Even if the business transfer operation has attracted the interest of policy makers and the academic community, attention to this topic is still not adequate, and there are still far too few research studies that focus on it. Some models have been proposed, but they all represent a partial analysis of the operation.

By examining the literature, it is possible to observe that a bulk of works analyses the problem from the perspective of the seller (Ryan and Power, 2012), while fewer contributions are focused on the buyer’s perspective (Geraudel et al., 2009; Grazzini, Boissin and Malsch, 2009; Culliere, 2010). Some contributions consider only family firms (Longenecker and Schoen, 1978; Handler, 1994; Gersick et al., 1997; Miller, Steier and Le Breton-Miller, 2003), while others only analyse the case of SMEs (McGivern, 1978; Bruce and Picard, 2006). Other studies examine one step of the business transfer process (St-Cyr and Richer, 2005), or one of the possibilities available for an entrepreneur willing to transfer his/her firm. Some authors consider the key factors of the business transaction (Morris et al., 1997; Sharma et al., 2001; Wang et al., 2004), or the elements that restrain the success of the operation (Malinen, 2004; De Massis, Chua and Chrisman, 2008); only some research has tried so far to take into account the problem in an overall perspective (De Freyman and Richomme-Huet, 2012).

Furthermore, most of the abovementioned studies focus on intergenerational business transfer in family firms, or on the sale to an outside buyer. Only a small number of scholars considers the possibility of business transfer to employees, and this solution is often identified as the last resort.

The literature points out some elements that are crucial to improve the performance of the enterprise after the transfer: the relation between seller and buyer (Khachlouf and Maâlaoui, 2013), the buyer's accessibility to financial resources, the motivation of the buyer and his/her humility and attitude towards the learning by doing process (Sharma et al., 2001), the transaction accompaniment by third parties specialized in these operations (Deschamps and Cadieux, 2008), the business transfer policy existing in the country in which the company operates, the social and legal environment, the taxation system, and the stakeholders' positive response to such operations. Van Teeffelen (2010) also points out that, in a business transfer, an organisational change is essential to improve the post-transfer performance.

Even if dynamics are different in each case, the purpose of the operation is always the same: guarantee stability and development of the company, as well as ensure the buyer a gain on the investment made, and the seller the highest possible income from the sale.

Some literature focus on the key success factors of the operation. As highlighted by Cabrera-Suárez, De Saá-Pérez and García-Almeida (2001), the definition of a strategy to be adopted in a business transfer requires the evaluation of the business environment, internal organization, climate, and capabilities. The transfer strategy needs to focus on maintenance of the strategic resources, avoiding abrupt transitions and dispersion of assets and skills.

When the seller is also the manager of the company, he/she has to pass responsibilities in the less traumatic way, both for him/her (see *théorie du deuil* by Bah, 2006) and for the company itself, by minimizing all information asymmetries (Bastié and Cieply, 2007). The buyer, on his side, should adopt a strategy that is innovative but not revolutionary, because legitimacy and trust require time to be obtained (Culliere, 2010), and behaviours perceived as negative could compromise the future performance of the company.

The rationality needed to accomplish a successful business transfer requires a consistent daily work in the company. The transition has to be prepared accurately (Shelly, 2001; Hawkey, 2002), but at the same time it is important to maintain flexibility in the process, so as to adjust the focus during the development of the operation. Not all literature agrees that a long preparation supports the success of the operation. As underlined by Dyck et al. (2002), the speed of the operation depends on the external environment that interacts with the firm. A not hostile environment for the firm allows for a smooth preparation in an extended period of time. By contrast, a particularly dynamic or a hostile environment require quick actions. Moreover, the speed depends on the economic and financial situation of the company. A company in a state of crisis needs to be rapidly transferred not to further compromise the situation, because if the production is interrupted for a long period of time, suppliers and customers will seek for a new commercial partner. Conversely, a healthy company has more time to prepare the process, but it is still important not to lose the convenient

moment: indeed, an excessive delay may undermine the success of the operation (Sharma et al., 2001; Dyck et al., 2002).

An accurate and objective evaluation of the firm has to be carried out, leaving aside any emotional implication for buyers and sellers. It is necessary to estimate strengths and weaknesses of the enterprise, what is worth maintaining, and what has to be changed after the transmission. A new manager always brings to the firm a new vision. This can help employees to adopt the required changes, and can ensure the company's competitiveness in the market, but the transfer process still represents a stressful moment for the firm.

According to De Freyman and Richomme-Huet (2012), when generalizing the concept of business transfer it is possible to identify four different types of enterprise transmission: i) the transmission to a family member (particularly in the case of family businesses); ii and iii) the sale to a third party that is either a legal or a physical person outside the company; iv) the transmission to the employees of the company itself.

There is no clear standard solution for the problem of business transfer (McGivern, 1978). A possible strategic solution depends on many factors, which are strictly connected with the individual situation of the firm and with the expectation of both the buyer and the seller. Finding the best answer is a case by case study.

Focusing the attention on the side of the buyer, the transfer to employees is the solution less adopted by companies (Barbot-Grizzo, Huntzinger and Jolivet, 2013), due to a poor familiarity with this type of transaction (CECOP-CICOPA Europe, 2013), and to a diffused conviction— not supported by scientific assessments— of a greater risk.

The most common techniques presented by the literature for the employee buyout are the installation of an employee stock ownership plan (ESOP), and the creation of a worker buyout (WBO) cooperative.

### *1.2 Employee buyout<sup>1</sup>*

An employee buyout operation is a business transmission process in which the employees of the company are the buyers. They acquire the majority of the share capital of their own company, meaning that they are not just employees but that they also become partial owners.

If the operation is finalised through the ESOP, it requires establishing in the company a tax-qualified retirement plan— i.e. the “employee stock ownership plan”— that invests principally in the stock of the company that sponsors the ESOP. The plan is sponsored by an employer for his/her employees, and can be financed by the employer/employee contributions, which form a stock that is administrated by a separate identity named “trust”.

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<sup>1</sup> In this paper, the terms “worker buyout” and “employee buyout” are considered synonyms, and both indicate the operation of business transfer to employees.

This ESOP model was devised in the United States in the 1950s. It sets specific requirements that are defined in the Employee Retirement Income Security Act (ERISA) of 1974, and in the Internal Revenue Code of 1986 (Menke and Buxton, 2010). It is a widespread model adopted by many countries with features and tax benefits that are variable according to the regulatory framework.

The ESOP may provide employees with the eligibility of having more or less participation in the management of the trust. The particular type of ESOP that allows employees this extensive involvement is the “democratic ESOP” established on a “one worker one vote basis” (Rothschild-Whitt, 1985), however this is a residual case (Keeling, 2012).

Therefore, ESOPs are in most cases partial buyouts (Vieta, 2015; Vieta, Depedri and Carrano, 2017). They do not regularly give employees the right to vote, even if participation in the decision-making process, information sharing inside the firm, identification with the company, and motivation to work usually improve (Kruse, Blasi and Freeman, 2012). For this reason, ESOPs are often assimilated to financial operations like profit sharing schemes or employee share ownership schemes (Pérotin and Robinson, 2002; Lowitzsch, 2008; Pendleton and Robinson, 2011), which guarantee property rights, but do not give workers the management rights of the company.

The second way to implement an employee buyout is to create a worker buyout cooperative. It is possible to identify examples of business transfers through the cooperative model all over the world, but the frequency of the operations varies from country to country. In some nations, there are just sporadic cases, while in others the creation of WBO cooperatives is a widespread and systematized operation.

In Europe, WBO cooperatives are common in Italy, France and Spain, as they are some of the European states where the cooperative sector is much older, larger, and more developed (Corcoran and Wilson, 2010). Moreover, in these three countries specific regulations are adopted to encourage workers to buyout.

Regardless of the specific regulation of each country, the cooperative sector can be considered as one, because the principles that cooperatives comply with are the same worldwide. Members of a cooperative manage the company democratically on the basis of the “one member, one vote” principle. Capital is variable and profit distribution is limited or absent, while membership is open and voluntary. Cooperatives provide education and training for their members to enhance the contribution that each member can give to the cooperative, and ensure their continuous development. Cooperatives are characterised by a close relationship with the community and the territories in which they operate. Furthermore, the cooperative movement provides support to cooperatives through regional, national, and international organisations that support and reinforce the sharing of cooperative values (ICA, 1995).

A WBO cooperative differs from a democratic ESOP in certain respects. The former requires the establishment of a new company, which is different from the previous one and is organized as a worker cooperative. The latter requires the creation of a trust that is a legal entity, which is separate and additional to the company that adopted the ESOP. The trust purchases shares of the capital stock

of the company but not necessarily the total, and holds them for the benefit of the employees. This means that workers acquire possession of the shares only when they leave the company. Moreover, employee participation in the company is not direct, but mediated through the trust in which they can vote. Differently from the cooperative, in the democratic ESOP democracy lies in the trust and not in the company.

Leaving aside the ESOP model, this paper focuses on WBO operations implemented through the cooperative model, and in particular on the operations carried out in France and in Italy, as these are two of the European countries where WBO cooperatives are more diffused.

After introducing the procedures adopted in the two countries, the paper will provide a joint analysis of the two systems, the key factors of the operation, and the main actors involved. It will then identify the dynamics that favour the success of a WBO operation through a cooperative, and the ones that retain it.

WBO operations are still not thoroughly studied, and certainly, this investigation cannot be considered exhaustive; however, the comparison between the two models has permitted certain generalizations.

## 2. WBO cooperatives in Italy and France

### 2.1 The Italian and French worker buyout models

#### The Italian model

Italian worker buyout operations involve the creation of a new company in the form of a worker cooperative (*cooperativa di produzione lavoro*)<sup>2</sup>, or a social cooperative (*cooperativa sociale*)<sup>3</sup>. Employees form a cooperative by subscribing and paying shares of the social capital that come from personal savings, the advancement of the mobility allowance, or the severance pay (TFR).

In Italy, WBO operations are implemented for enterprises that are experiencing situations of crisis, in order to save the business as a last resort. The transmission of healthy companies to employees through a cooperative is not forbidden by the Italian law system; nevertheless, it is not carried out, nor encouraged by any regulation.

To constitute the capital of the start-up cooperative, employees buy its shares, while the law provides them with help in case they do not have enough personal savings. They can use the severance pay, or they can request the national social security institute—Istituto Nazionale della

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<sup>2</sup> In Italy, the legislation on cooperatives is defined in art. 45 of the Italian Constitution, and in art. 2511-2545 of the Civil Code. The normative on Spa (*società per azioni*) and on Srl (*società a responsabilità limitata*) is applied when compatible.

<sup>3</sup> The discipline of social cooperatives is defined by the Law of 8 November 1991 n. 381.

Previdenza Sociale (INPS)—for an anticipation of the unemployment benefits. Workers enrolled in mobility lists who have a seniority in the company of twelve months, of which at least six effectively worked, can apply for the anticipation of the mobility allowance<sup>4</sup>. Additionally, workers have the “right of first refusal”: people working in a company in crisis have priority in the creation of a WBO cooperative over any other possible investor interested in the takeover of the same company<sup>5</sup>.

The introduction in the last years of the right of first refusal did not actually change the use of WBO operations as a last resort. As it will be better analysed later in the paper, the establishment of a WBO cooperative is a huge decision for workers, and they think about it after all the other options have been unsuccessfully taken into consideration.

Once the WBO cooperative is established, it acquires from the previous company the entire business or a business unit. Otherwise, the cooperative can just buy or rent from the old company the machinery, the equipment, and the buildings that it needs to operate.

Italian WBO cooperatives benefit from the support of the “Marcora Law”, a law named in honour of Giovanni Marcora, the Italian Minister of Economics who conceived it. On the basis of his draft law, in 1985, the Italian Parliament passed the Law n. 49/1985 on “Measures for credit for cooperation and urgent measures for safeguarding the employment level”. As a matter of fact, in the early 1980s, the Italian industrial production was stagnant, and the unemployment rate was very high. With his draft law, Minister Marcora, who firmly believed in the cooperative movement and in its potential, wanted to offer to enterprises and workers an extra measure of support to production and employment (Dandolo, 2009).

Even if the law has been updated and revised over the years<sup>6</sup>, the idea behind the model has not changed. The Marcora Law<sup>7</sup> provides help to workers that want to implement the operation by establishing two funds: i) Foncooper, a rotating fund managed by Banca Nazionale del Lavoro (BNL) that provides help to the entire cooperative system; ii) and Fondo speciale per la salvaguardia dei livelli occupazionali, a fund dedicated to WBO cooperatives. The fund is revolving<sup>8</sup>, and is managed by financial companies that are specifically created to administer it. The latter take the form

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<sup>4</sup> Law of 23 July 1991 n. 223, art. 7, par.5.

<sup>5</sup> Legislative Decree of 23 December 2013, n. 145 (Decree of doing), art. 11, par.2.

<sup>6</sup> Law n. 49/1985 has undergone an EU infringement procedure because it has been considered contrary to EU competition rules, and has been updated with Law n. 57/2001, passed on 5 March 2001.

<sup>7</sup> On the basis of the 2001 amendments.

<sup>8</sup> “Revolving” means that all investments and loans must guarantee an economic return to the fund. Investments in the equity of cooperatives have a maximum term of 10 years and the divestiture, according to a repayment plan, must take place at market value (Ministry of Industry, Decree of 16 April 2003, art. 3). Also, in case of reported earnings, the dividend paid to the institutional investor is privileged, and is 2% higher compared to that of other shareholders (Ministry of Industry, Decree of 4 April 2001, art. 4, par. 7). Loans instead must be repaid by cooperatives to the fund according to a repayment plan, and at a subsidized interest rate.

of institutional investors<sup>9</sup>, and are allowed to invest in the capital of the WBO cooperatives through “temporary minority holdings”, or/and to provide loans and financial facilities to cooperatives<sup>10</sup>.

Furthermore, WBO cooperatives have the possibility to obtain additional financing shares by other financial investors: i) *socio sovventore* and *socio finanziatore*<sup>11</sup>, which are two particular types of members created by the law only for cooperatives; ii) and other financial and non-financial entities interested in the project. Organisations that in recent years have most supported WBO operations are: i) Coopfond, the fund created by Legacoop; ii) Banca Etica, a non-profit bank; iii) and Fondo Sviluppo, a fund created by Confcooperative<sup>12</sup>. Moreover, depending on the case, other actors have been involved in WBO operations: local or national government, unions, traditional banks, territorial associations, accountants, or other organisations specialized on cooperatives and particularly interested in this specific operation. Their presence is not constant, but depending on the case it can be crucial.

With the Ministerial Decree of 4 December 2014<sup>13</sup>, the Ministry of Economic Development established another financing instrument providing additional financial resources specifically addressed to WBO cooperatives. Cooperatives in which the institutional investors already have an equity participation within the Marcora Law may then obtain additional funding at subsidized interest rates to support their business plan.

Although the Marcora Law was drafted in 1985, it is only in recent years that the phenomenon of WBO cooperatives is intensifying in Italy, with the number of interventions financed by institutional investors also growing (Vieta, 2015; Vieta, Depedri and Carrano, 2017).

### **The French model**

In France, the model has evolved differently. Although, French operations also entail the creation of a cooperative—which takes the form of a *société coopérative et participative* (SCOP)<sup>14</sup>—, they are implemented both in case of normal business transfer and in case of saving a company from crisis<sup>15</sup>.

All operations are carried out with the support of Confédération Générale des SCOP (CG

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<sup>9</sup> During the last years, only an institutional investor has been operating: CFI-Cooperazione Finanza Impresa.

<sup>10</sup> Law n. 49/1985, art. 17, comma 5.

<sup>11</sup> Art. 2526 of Civil Code.

<sup>12</sup> Legacoop and Confcooperative are legally recognized associations of assistance, representation, protection and audit of cooperatives operating throughout the country.

<sup>13</sup> Under the provisions of art. 1, par. 845, of Law of 27 December 2006 n. 296 and subsequent amendments and additions.

<sup>14</sup> Law n. 47-1775 of 10 September 1947 on the cooperation status.

<sup>15</sup> In 2017, 14% of the newly created SCOPs in France were formed after the transmission of healthy companies, and another 10% of SCOPs were created after the transmission of company in crisis (CG SCOP, 2017).



SCOP)<sup>16</sup>, which operates all over the country through the various Unions Régionales des SCOP (UR SCOP). Its experts, who are sometimes sustained by third parties operating outside the organization, such as lawyers and accountants specialized on SCOPs, support the creation of the cooperative in all its steps: conception of the project, fundraising, building of the business plan, and implementation of the new cooperative. They also provide training to new members and new managers in order to increase their skills and deepen their knowledge of the cooperative model and its features. Thus, they provide an overall support for the business transfer and the creation of a SCOP.

Even though WBO operations have been carried out for several years, it was only in 2014 that the government enacted a law aimed at supporting the so called *reprise d'entreprise par les salariés en sociétés coopératives et participatives* (RES en SCOP). More specifically, decree n. 2014-1758 of 31 December 2014 was promulgated to favour the creation of *SCOPs d'amorçage*, which allow employees to acquire 50% of the capital of the SCOP over a period of seven years, thus also helping overcome the problem of initial capitalization of the company. Through the *SCOP d'amorçage*, workers can independently manage the company since its establishment, despite not having signed the majority of the share capital. At the establishment of the SCOP, outside investors buy equity shares without acquiring voting rights, and undertake to sell in seven years a part of the equity acquired to the workers of the cooperative in order to enable them to get 50% of the total shares.

CG SCOP plays a central role in the operation, since it is the only existing organization in France that provides assistance to SCOPs, and to RES en SCOPs. The setting up of the operation, in particular for enterprises in crisis, is subject to their approval, and to their legal, economic, organisational and fundraising help. In the French model, there are no forms of financial support provided by law for the implementation of RES en SCOP projects, except the one of 2014 mentioned above. There are some financial entities operating on a national level that support capital raising of the SCOP movement in general, and thus also the RES en SCOP, but only Union Régionale des SCOP Rhône-Alpes (now Union Régionale des SCOP Auvergne-Rhône-Alpes) has created a company specialized in the financing of RES en SCOP operations. This is Transmea<sup>17</sup>, a venture capital that enters in the capital of the SCOP without taking any voice in the management of the cooperative, which is left entirely to its workers.

The Italian and French models have evolved differently, due to the diverse socio-economic contexts; and varying are also the instruments of support conceived by the legislators. In Italy, WBO cooperatives have been regulated after the enactment of the Marcora Law, and thanks to the

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<sup>16</sup> This is a national association that helps and represents all existing cooperatives in France, and that promotes the development of the cooperative movement.

<sup>17</sup> Transmea is a company created by Union Régionale des SCOP Rhône-Alpes, in partnership with Rhône-Alpes region, and is supported by Caisse des Dépôts et Consignations, Crédit Coopératif, and by other financial organizations (MACIF, SPOT, Socoden, NEF, IDES). Transmea has the availability of EUR 4,500,000.00 of capital risk to operate, and it is an instrument specifically dedicated to founding enterprises created after the *reprise d'entreprise* in the form of SCOP or in any other form (<http://www.transmea.coop>).

financial support of institutional investors. In France, CG SCOP has played a central role in the development of WBO operations, while legislative intervention and financial support has played a secondary role.

Nevertheless, the presence of these differences does not affect the possibility to simultaneously analyse the two models. On the contrary, it favours the extrapolation of key elements of the operation that are independent of the context.

## *2.2 Worker buyout process*

The phases in which WBO operations can be divided are the same in both Italian and French models. By focusing the attention on the buyer of the company—namely the workers in our case—it is possible to analyse the transfer/reprise of the company through the cooperative instrument using the Deschamps model, which divides the process of business transfer in three main steps: pre-reprise, transaction, and post-reprise phase (Deschamps, 2002).

The first phase is a preliminary one. In WBO operations, workers examine the chance to buy the company by constituting a cooperative. The final decision is concluded after making different evaluations (each worker individually and collectively) and a feasibility study. The person or the people who promote the operation can differ from case to case; however, independently from the proposer(s), the first phase implies a feasibility analysis and a pros and cons evaluation.

This is followed by a transitional phase, during which all financial, human, and economic conditions required for the establishment are settled up. The actual steps taken and the stakeholders involved can change from case to case, but in both the Italian and French models, we can identify a phase of transition and preparation that is essential for the effective establishment of the cooperative.

The third and last step in the process of business transfer consists in the finalization of the project: the new cooperative is legally constituted, and begins to operate according to the new organisational and governance conditions.

Although each case is different, as it is the framework for the operation in Italy and France, the common goal of all operations is to continue the business through a cooperative managed by workers. The parties involved in the process and the time required to complete the operation may vary from case to case, but the final result is the same.

The amount of time necessary to conclude the entire process is a relevant element in the WBO operation. This point has been analysed in an interview carried out for the purpose of this study with an operator of the UR SCOP Rhône-Alpes specialized in the RES en SCOP (UR SCOP consultant, interview, 12 July 2016). In the interview, it emerged that the amount of time available is an element of differentiation between the transmission of healthy companies and the takeover of distressed ones, but that, at the same time, this is not the most critical element for the success of the operation. In a healthy company, the operation is frequently prepared in a longer period of time, measured in years; while time is limited to less than 12/18 months for companies in crisis. The time limitation depends on the requirement of the court for the submission of the recovery

plan, and on the need to act quickly to not deteriorate further the economic and financial situation of the company.

It is also stated in the interview that a minimum period of time of two months is required to prepare a recovery plan in distressed companies and to find lenders. When there is enough time, it no longer plays an essential role for the operation to be successful; motivation of workers and strong attachment to the company seem to be more determinant. As the UR SCOP consultant said: *“When all conditions seem gathered and there is just a problem of time, we are capable of working at night, during the weekends. [...] Really, when there is everything and there is a motivation to work fast, generally, for the buyout of a troubled company, to do it right, it takes at least two months”*<sup>18</sup> (UR SCOP consultant, interview, 12 July 2016).

Focusing the attention on the motivations that stimulate employees to constitute a WBO cooperative, there are no differences between healthy and distressed companies. Some authors (Maritz, 2004; Harding et al., 2006; Bosma and Harding, 2007) distinguish the entrepreneurial spirit in “necessity driven” and “opportunity driven” entrepreneurship, considering the first case as the solution adopted by people that do not have any other available option, and the second case as the decision made by people that create an enterprise for their personal fulfilment. However, this differentiation cannot be simplistically applied to the two cases of WBO operations realized in healthy and in distressed company.

It is true that a WBO operation applied in a company in crisis is the last resort strategy for workers who do not have other options available. Nevertheless, it is also true that the choice to join the cooperative is free, and is connected with the will of all participants to share a common project. This is no different from what happens in cooperatives created after the transfer of healthy companies. Both the expert of the UR SCOP and all the cooperatives interviewed confirmed that in presence of an opportunity, the decision to implement the transaction derives from the workers’ desire to maintain control over the future of their job, and to prevent outside investors from affecting the good performance of the company.

During the interview, the president of a French SCOP created for the transfer of a healthy company was asked: *“do you think that the decision of workers to take part in the SCOP was in part due to the desire to not have an external owner?”*. To which he replied: *“They knew that if other external people were involved, things would probably change in the way they work. It’s an important point. We are our company, and our company it’s only us”* (President of cooperative n. 5, interview, 12 July 2016).

To conclude, it is possible to jointly analyse the operations carried out in Italy in companies in crisis, and those carried out in France in both cases of healthy and distressed companies, because regardless of the peculiarities of each operation, the core elements are the same.

The cases analysed in this paper are the following.

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<sup>18</sup> *“[...] Quand toutes les conditions semblent réunies et qu’il y a juste un problème de temps, on est capable de travailler la nuit les weekends [...]. Vraiment quand il y a toutes (les conditions) réunies et il y a la motivation qu’on fait travailler vite, en général pour la reprise d’entreprise en difficulté, pour le faire bien, il faut au moins deux mois.”*

### 2.3 The analysed WBO cooperatives

The Italian worker buyout cooperatives involved in this study are three small-medium sized enterprises—with a number of workers between 10 and 60—operating in the manufacturing sector, although in different subsectors. All WBO operations were realized from 2008 to 2011, were financially supported by CFI-Cooperazione Finanza Impresa, or/and Coopfond, and received the assistance of Legacoop.

All three cooperatives operate in Emilia Romagna. The request to participate in the study was also sent to other cooperatives throughout the country, but it is not a surprise that those who agreed to take part are located in Emilia Romagna, which is the Italian region where the cooperative movement is more developed and active<sup>19</sup>, and has a strong historical presence. The analysis conducted by Vieta for the European Research Institute on Cooperative and Social Enterprises (Euricse) in 2015 shows that Emilia Romagna, with 39 cases of WBO cooperatives, is the Italian region where the highest number of WBO operations has been carried out (Vieta, 2015; Vieta, Depedri and Carrano, 2017).

All the analysed WBO operations were carried out because of the previous company's crisis, and have been completed through the rent or the purchase of buildings and machinery, or through the purchase of the company or a business unit.

The French cooperatives analysed are also three and they also operate in the industrial sector, although in different subsectors than the Italian ones. Two of the analysed operations were performed in healthy companies because of the retirement of the previous owner, while the third one was implemented for the recovery of a company in crisis.

The size of the SCOPs is similar to that of the Italian cooperatives, as they are small-sized companies with a number of employees between 10 and 40. Similarly to Italian cooperatives, all SCOPs are located in the same region, Rhône-Alpes. In this region, as in Emilia Romagna in Italy, the cooperative sector is well developed, and the regional union of SCOPs is very active. In the interview conducted with the operator of UR SCOP Rhône-Alpes, it emerged that there are historical reasons behind the strong presence of the cooperative movement in the area: in fact, it is in Lyon that the statute of SCOP has been defined for the first time.

Even if the six cooperatives analysed are located respectively in only one region of Italy and France, they offer a good representation of the WBO operations in the two countries.

WBO operations are mostly conducted in the industrial sector, especially in the labour-intensive sub-sector, which is followed by the service subsector. In general, as it is easily understandable, WBO operations cannot be implemented in capital-intensive sectors. This conclusion also emerges in the interview with the representative of UR SCOP: *“If we have a company that requires a lot of funding, we are certainly not equipped enough to accompany them. It is not that the statute is not suitable, but*

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<sup>19</sup> In Emilia Romagna there are 382,186 enterprises, of which 5,151 cooperatives. This means there are 13 cooperatives every 1,000 enterprises (Diazi, 2016).

*there are no technical capital investment tools to accompany these types of large-scale operations*<sup>20</sup>.

Cooperatives generally suffer from the problem of low capitalization<sup>21</sup>, and this problem is even more pronounced in WBO cooperatives, where the procurement of the financial resources required to start the activity is a major issue.

All the analysed Italian and French companies are SMEs. In general, all WBO operations are conducted in small or medium sized enterprises, as the large size makes it difficult to implement this type of operation for economic, financial, and also human factors: sharing a common project between all workers, finding enough financial resources, and implementing the cooperative model and its principles are more difficult in big companies.

The analysed cooperatives are historically present in the geographic area where they operate, having been active for at least 15 years—up to 40 years—before the WBO. This element was stressed by all interviewees and confirms the strong involvement of employees in the project they carried out, and their strong belief in the potentiality of the company.

**Table 1. Main characteristics of the analysed cooperatives**

Country	n.	Year of incorporation	Number of workers	Sector of activity
Italy	1	2010	63	Manufacture of ceramic tiles and flags
	2	2011	23	Production of self-adhesive material
	3	2008	13	Manufacture of other textile items n.e.c.
France	4	2012	32	Smart equipment technology
	5	2012	25	Data exchange solutions and services
	6	2015	25	Industrial dehumidification and drying of food

## 2.4 Research methodology

The research method selected is a qualitative one. After an analysis of multiple sources of evidence on the subject (legislation, studies, reports and articles), the study was carried out on the basis of the Grounded Theory (Glaser and Strauss, 1967).

For each of the six cooperatives, a semi-structured interview of about one hour was conducted with the president in charge. The choice to interview the president was due to his/her deep knowledge of the cooperative and of the buyout process. In fact, in all analysed cases, the president

<sup>20</sup> “*Si on a une entreprise qui nécessite beaucoup de financements nous en tout cas on n'est pas suffisamment outillé pour les accompagner. Non pas que le statu ne sera pas adapté, mais parce que il n'y a pas des outils techniques capital d'investissements pour accompagner ces types d'opérations d'une taille importante.*”

<sup>21</sup> The average capital ratio of the Italian cooperatives in 2013 was 27.4%; for cooperatives in the industrial sector the capital ratio was instead equal to 42.6% (Carini, Borzaga and Fontanari, 2015).

had followed the operation from the earliest stages, and in the front row, thus acquiring a precise knowledge of all aspects of the buyout process, which is particularly useful for the purpose of this study.

All interviews started with a free description of the buyout process implemented. Questions were structured specifically for each cooperative—based also on secondary sources—and, if necessary, were adjusted during the interview to focus on interesting aspects.

In any case, for all cooperatives, questions concerned the situation of the company before and after the buyout, the main causes behind the choice, the actors involved and the process implemented. All interviews were completed with an overall assessment of the operation, and with the identification of the most relevant strengths and weaknesses of the process.

This approach proved to be appropriate for the research, as it rests on a method that allows to analyse in a comprehensive way a multifaceted process (Halinen and Törnroos, 2005; Yin, 2011), such as the establishment of a WBO cooperative. In fact, the buyout process is strictly connected with the specific enterprise that implements it, with the environment in which the enterprise operates, and with the actors that take part in it; for all these reasons, a thorough analysis of the operation cannot be separated from the context in which it takes place.

All interviews were recorded, transcribed and coded. At first, transcriptions were analysed through a sentence by sentence open codification, so as to identify all various concepts and ideas that interviewees had expressed about the WBO operation. Successively, these concepts were classified into the three main categories already presented above: pre-reprise, transaction, and post-reprise phase. In a final step, the different ideas were grouped and generalized into core categories that could collect all elements identified in the operations.

### 3. Interview analysis

There are some main themes that arise in all the interviews carried out.

#### 3.1 Management of the pre-reprise phase

In every company—healthy or in crisis—the pre-reprise phase consists in a deep reflection on the different options available to complete the transfer or the takeover of the company. Still, in almost all cases, the cooperative solution emerged only after the other solutions were discarded.

In one of the French cooperatives constituted for the retirement of the previous owner, it was him that proposed this solution to the workers. In the interview, the current president of the cooperative revealed (President of cooperative n. 5, interview, 12 July 2016) that when the owner decided to retire, he started to study different options, and the cooperative idea seemed to him the best: “[...] *A friend of him (the old owner) had some experience with the SCOP. So, he started to collect*

*information about that. He wanted to keep the enterprise as it was before, and also the salaried were afraid to be acquired by a big company; because this certainly would have changed many things, and probably not all people would have stayed in the company. So, this way (SCOP) seemed to be the best way to keep the IT, the people, and to keep the company as it was for the personnel”.*

In the other companies analysed, the cooperative solution was identified either by one or more employees that already had a previous knowledge of the cooperative movement, or by the accounting consultants of the company.

Two cases are particular and concern Italian cooperatives. In the first case, the idea to build a cooperative was put forward by the official receiver: “[...] *Then the official receiver proposed us this solution, and with the consultant we went to Legacoop. [...] In our case the bankruptcy curator was very important. She is an exceptional woman, a very prepared one; she knew this solution, and she proposed it to us [...] she realized that our company could go on, and that it had just been badly administered [...]*”<sup>22</sup> (President of cooperative n. 3, interview, 13 July 2016).

In the second case, the cooperative solution was presented jointly by the workers and by the mayor of the municipality where the company is based. The president said: “*We had the will to continue (with the buyout), so we started to prepare a business plan. With this project, we went to our municipality, to our mayor. We needed resources, our problem was to have important financial resources. [...] We thought he was the first person supposed to be informed, as we are all citizens of the municipality, and the company is in the municipality. And also, there was a massive mortality of firms in the municipality. That is why the mayor seemed to us the first person to meet to ask him if he had some kinds of ideas. He presented us to the cooperative world*”<sup>23</sup> (President of cooperative n. 2, interview, 6 July 2016).

In all the analysed cases, respondents argued that the knowledge of previous successful WBO operations had provided them with a strong stimulus to the adoption of the risk associated with the new cooperative initiative. In this regard, media represent a key channel to promote knowledge on this type of operations, and to increase their use by enterprises.

During the interview, the UR SCOP advisor noted that the diffusion of good practices is one of their strategic activities, since—as he stressed—the cooperative solution is still too often not proposed to companies by accountants, due to their lack of knowledge and their partial “incompetence”. He said:

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<sup>22</sup> “*Poi il curatore, anzi la curatrice fallimentare, ci ha proposto questa soluzione e quindi con il consulente ci siamo rivolti a Legacoop. [...] nel nostro caso il curatore fallimentare è stato importantissimo. Lei è una donna eccezionale, preparatissima che conosceva un po' questa soluzione e ha provato a proporcela [...] lei ha capito che la nostra azienda poteva andare avanti e che era stata mal amministrata. [...]*”

<sup>23</sup> “[...] *La volontà di andare avanti c'era e quindi abbiamo iniziato a fare un business plan. Quindi con questo progetto ci siamo rivolti alla nostra amministrazione comunale, al nostro sindaco. Perché avevamo bisogno di risorse, il nostro problema era avere risorse finanziarie importanti. [...] Abbiamo pensato che doveva essere la prima persona ad essere informata, dato che siamo tutti cittadini del comune e che l'impresa ha sede nel comune. E poi nel comune c'è stata una moria di aziende. Per questo il sindaco ci è parsa la prima persona da incontrare e a cui chiedere se aveva conoscenze da qualche parte. L'amministrazione comunale ci ha presentato il mondo cooperativo.*”

*“In order to favour this kind of operations it is necessary to say that it is possible to operate differently, and that the employee buyout solution is part of the existing solutions that it is possible to take in count. If an accountant or a lawyer does not present the internal transmission to the employees, for me, it is a lack of advice”<sup>24</sup>.* In his opinion, we are still far from the effective knowledge and the complete utilization of this instrument.

Lack of knowledge is also confirmed by cooperatives. In particular, during the interview, an Italian and a French cooperatives stated that one of the most important initial obstacles to the finalization of the project was the distrust of the court towards this type of operation. In the French case, mistrust was finally passed thanks to the intervention of the Social Economy Minister, who demonstrated in favour of the transaction (President of cooperative n. 4, interview, 1 July 2016); while, in the Italian case, the lack of “traditional” buyers had finally persuaded the court to accept the proposal of the workers (President of cooperative n. 1, interview, 5 July 2016).

Focusing the attention on the subjects that led the operation during all the phases of the process, the two operations implemented for the generational change were led in one case by the co-owner of the company, and in the other case by the consultants of the previous owner. On the contrary, in the operations promoted because of the company’s crisis, the leadership was assumed by a group of highly-motivated employees. The transfer of the management was more gradual in the two healthy companies, since the new presidents already had managerial skills, which had to be acquired later in the other cooperatives.

### *3.2 The role of cooperatives associations*

In all companies in crisis, the finalization of the WBO operation was completely dependent on the support of cooperatives associations, both in Italy and in France. These associations sustained the initial idea of workers in all technical, operational, and legal steps until the finalization of the project. In both countries, the respective associations helped companies in drafting a workable business plan, in searching financial sources, and with the legal constitution of the cooperative society, the training of the future management, and the development of a participatory and cooperative culture among the members of the new company. Cooperatives themselves claimed that it would not have been possible for them to conclude the project without the support of the association.

Also in the two French cooperatives that were not in crisis, the UR SCOP played an important role in the implementation of the project inside the cooperative. As the president of one of the cooperatives said, even if they were an “easy case” (President of cooperative n. 5, interview, 12 July 2016), UR SCOP provided support on the legal aspects related to the setup of the cooperative. It also supported the promoter group in the creation of the business plan as well as in the preparation

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<sup>24</sup> “[...] *Pour favoriser ces opérations de reprise il faut dire que entreprendre autrement et que la solution de reprise par les salariés ça fait partie des solutions existantes, et que donc on peut prendre en compte pour le choix de solutions. Un expert-comptable ou un avocat qui ne présente pas la solution de transmission aux salariés à l’interne pour moi c’est un défaut de conseil.*”



of the presentation of the project to the other workers, and provided training and advice to the management and workers on the actual implementation of cooperative principles.

Additional information surfaced in the interviews. In the two healthy companies, a participatory culture among the members had already spread before the creation of the cooperative, an element that undeniably facilitated the realization of the operation. The ex-management was already accustomed to share decisions with workers, as well as to take into account their opinion in the decision-making process. On the contrary, in the other companies, workers were not accustomed to such practices, and the cooperative model was a complete innovation for them.

Therefore, cooperatives associations not only aided cooperatives in the understanding of the cooperative model, but also provided managers with training to develop the managerial skills that they did not have before. *“We got a really really huge help by the UR de SCOP. They helped us to find financial resources, to write down the project, to think. Then they helped in the long term, offering training to people [...]”* (President of cooperative n. 4, interview, 1 July 2016).

Although each of the six cooperatives received different support according to its different needs, one aspect unites them all. In response to the question *“which elements do you consider were key for the implementation of the WBO transaction?”*, all cooperatives answered *“the support of the cooperatives association”*. In conclusion, the relationship with the association evolved in different ways depending on the needs of each cooperative, and without a doubt it was inferior in the operations realized for the retirement of the previous owner. Nevertheless, this element represents a further confirmation that creating WBO cooperatives requires the support of personnel specialized in this type of operations. WBO operations realized with the cooperative model require people that accompany the new cooperative members not only in the initial design phase, but also in the project development and in the start-up phase of the new cooperative.

### 3.3 Team spirit

An additional element was highlighted as being key by all six cooperatives. The presence of a team spirit among all employees, and the close involvement of all workers in the operation. All cooperatives, especially those created after the crisis of the previous company, marked a strong initial uncertainty that characterized the operation, and the importance of unity among all members to overcome the initial obstacles.

It emerged from the interviews that team spirit was stronger when workers had a long-term commitment in the enterprise. Moreover, team spirit was incentivized by the presence of a “leadership team” that followed the operation from the beginning.

In general, a leadership team should be composed by people that have the consent and the trust of all the other workers. Furthermore, they should be able to follow all aspect of the operation, as well as communicate and share with the other workers the main decisions. It is also from their ability to well propose the operation to colleagues, maintain effective communication with them,

and acquire their consensus that the process can be successfully developed, and the controversies between members can be reduced.

In the healthy companies analysed, the leadership team was already constituted before the operation. In all other cases, it had been chosen by the members during the WBO process with more or less accentuated support of the cooperatives associations.

The importance of an early definition of the leadership team was confirmed by the exponent of UR SCOP. More specifically, he stated that one of their first requests to the assisted cooperatives is to define the potential administrators from the beginning. Indeed, identifying straightway the leaders of the operation is helpful for both the workers, and the outside stakeholders of the new cooperative who need someone to refer to.

### *3.4 Relationship with customers and suppliers*

The communication strategy adopted by cooperatives to inform their customers and suppliers regarding the buyout is an important point to be analysed.

The two cooperatives created for the generational transfer showed no variations in the relationships with their customers and suppliers. In fact, in the two cooperatives, there were no changes from an operational point of view after the implementation of the cooperative. Similarly, the people responsible for managing the relationship with stakeholders did not change. As it has been already pointed out, the managers of the cooperative were part of the old management team, and the adoption of the cooperative form went unnoticed from the outside. Moreover, one of the respondents highlighted that they had voluntarily chosen not to communicate the change of the legal form in a first moment, because many customers of the company are located in the United States where the cooperative model is considered less reliable than the traditional business model.

On the contrary, all the analysed cooperatives that were created after the crisis of the previous company received the respect from customers and suppliers for their initiative, but, at the same time, experienced punitive market conditions, especially in the start-up phase. These occurred especially in companies where the production was interrupted during the creation of the cooperative. They had to re-create the relationships with customers and suppliers, who demanded more guarantees at the beginning. For example, in one case, suppliers requested the cooperative to pay in advance each final invoice for the goods purchased.

Having at first no market power, cooperatives had to undergo market conditions imposed on them by stakeholders. However, the cooperatives out of the start-up phase stated that after the first period the contract conditions returned to normal. *“Our suppliers did not change because we did not have time before the start to test with others. It was not easy because they had been ‘burned’ by the previous company. We were a start-up company, we did not have credibility. So, we had to start paying our supplies in advance, not even cash, but anticipated, and at a non-competitive price. [...] After years, we have gained credibility that is a different credibility than we had before. We have come up with our*

suppliers in a completely different way. [...] If there is some difficulty we talk about it together, not when everything is already done<sup>25</sup> (President of cooperative n. 2, interview, 6 July 2016).

In general, cooperatives stated that they adopted a communication strategy that highlighted the economic and financial support received by the association of cooperatives and the financial institutions in order to create a climate of trust around the operation they had carried out. As the president of the cooperative n. 2 continued: “When introducing ourselves, we always put in the foreground that we had the cooperative world behind us<sup>26</sup>. Nevertheless, they occasionally had to overcome the natural distrust towards the cooperative model and the WBO process.

It is possible to conclude that, once the start-up phase is finished, cooperatives face normal operational problems without any difference with traditional cooperatives and companies. The transition period represents the most difficult moment of the entire operation because of the uncertainty and the limited knowledge of the cooperative model. However, all the cooperatives that successfully completed the initial phase said they are now more confident and hopeful about the future.

### 3.5 Workers participation in the decision making

A further element that needs to be considered is that decision sharing is seen as a strength by all cooperatives. Each cooperative, according to its needs and characteristics, is trying to increase the internal democracy, and the participation of all members and workers in the company life. Participation of members in the cooperative is not limited to the annual required assembly, but it is favoured by a certain number of formal and informal meetings realized over the year.

In the interviews, a great respect and attention to the ethical and human dimensions and the desire to make improvements emerged. For example, a cooperative stated that work shifts are modulated to meet the needs of female workers who are also mothers. “It is important to have this flexibility and use it. These are important things<sup>27</sup> (President of cooperative n. 2, interview, 6 July 2016).

Lastly, the constant critical evaluation of the work achieved and the internal debate on future strategies represent for all the cooperatives analysed an essential moment of growth. As it is apparent from one of the interviews, the opportunity that members have to express their opinion inside the

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<sup>25</sup> “I fornitori sono rimasti gli stessi perché non abbiamo avuto modo prima di partire di fare dei test con altri fornitori. E non è stato facile perché erano stati ‘bruciati’ dalla precedente azienda. Eravamo una azienda start-up, non avevamo credibilità e quindi abbiamo dovuto iniziare a pagare le nostre forniture anticipate, neanche cash, ma anticipate, e con un prezzo non concorrenziale. [...] A distanza di anni abbiamo acquisito una credibilità che è una credibilità diversa rispetto a quella che c’era prima. Noi ci siamo posti con i nostri fornitori in maniera completamente diversa [...] Se c’è qualche difficoltà se ne parla a quattr’occhi e non a giochi fatti.”

<sup>26</sup> “Nel momento in cui ci si presentava, il fatto di avere alle spalle il mondo cooperativo lo abbiamo sempre messo in primo piano.”

<sup>27</sup> “Questa flessibilità è importante avercela e usarla. Queste sono cose importanti.”

cooperative is for them a stimulus to the practical participation in the cooperative life. Evidently, the level of participation varies among employees, but in general, the presidents interviewed reported a broad involvement of employees and a widespread interest in the major decisions of the cooperative.

#### 4. A synthesis scheme

From a joint evaluation of all the operations carried out by the cooperatives analysed, it is possible to extrapolate the key recurring elements, regardless of the circumstances of each individual case (Table 2), and identify the role that different actors perform in the subsequent stages of the process. While the causes of the WBO operations carried out through the establishment of a WBO cooperative are the same of any other business transfer, the parties involved in the WBO are specific to this type of operation.

While the analysis was conducted in Italy and France, key factors are not country-specific. Where there is a legal framework that supports the operation, or at least that does not prevent it, the decision to create a WBO cooperative mainly depends on the workers' team spirit, and on their possibility to receive operational and financial support. Workers and the association of cooperatives play a major role in every WBO project and in all stages of the process, while financial resources provided by lenders are particularly important in WBO operations carried out in case of crisis of the previous company. The other actors introduced in the scheme may or may not play a role depending on the specific transaction.

In all the six cases analysed, the finalization of the buyout required the design and the implementation of a concrete business plan, as well as the workers' overcoming of all the difficulties they faced. The establishment and the start-up of the new cooperative necessitated the maintenance of the initial cohesion among workers, in order to support the managers in the activities exceeding the individual logic in favour of the cooperative wellbeing.

In a WBO operation, properly managing the relationship with external stakeholders and building a climate of confidence around the cooperative are both fundamental. As a matter of fact, in the start-up phase, cooperatives—especially those created after the crisis of the previous company—are likely to experience commercial difficulties, which they can overcome only by demonstrating their reliability and competence to partners.

The WBO is undoubtedly a complex transaction, especially when it is implemented in companies in crisis. To be successful, it requires the simultaneous presence of several conditions, which cannot all be controlled in advance. Be the company healthy or in crisis, it is necessary to prepare a business plan and to find external financiers for the project. Both in Italy and in France, these actions are executed with the help of third parties specialized in the field. In troubled companies, the process is more complex due to the crisis they face, and only the projects evaluated as worth saving are then completed. As the operator of UR SCOP well exposed, “*a very important part of our job is to say no*”.

The cooperatives analysed in this study are six successful cases, which means that all cooperatives resumed their activities and managed to remain on the market by the end of the buyout. The success was due to a good execution of the WBO process, but it also depended on a positive market response, as in the case of any other economic initiative.

By implementing the WBO operation, workers invest their own financial resources in their job. They can lose both if the initial enthusiasm is not supported with a rational and critical analysis of the market and its possible reaction.

**Table 2. Key elements of WBO operations**

<b>PHASES</b>				
	<b>Pre reprise phase</b>	<b>Transaction phase</b>	<b>Post reprise phase</b>	
	Decision making		Conclusion of the operation Start-up of the cooperative	
<b>KEY FACTORS</b>				
<b>CAUSES</b>	<ul style="list-style-type: none"> <li>- Absence of a successor in a family enterprise</li> <li>- Owner(s) decision to sell the enterprise</li> <li>- Crisis of the enterprise</li> <li>- Voluntary liquidation</li> </ul>	<ul style="list-style-type: none"> <li>- Regulatory framework that limits the operation uncertainty</li> <li>- Presence of a group of people leading the operation</li> <li>- Experts support</li> <li>- Participative culture in the company and shared goals between workers</li> <li>- Long term commitment of the workers</li> <li>- Group spirit and sense of belonging to the company</li> <li>- Availability of funds to finance the operation</li> </ul>	<ul style="list-style-type: none"> <li>- Realize a good business plan</li> <li>- Compensate poor managerial skills</li> <li>- Maintain strategic resources and human capital in the company</li> <li>- Avoid any interruption of manufacturing processes</li> <li>- Realize a realistic process that balances economic choices and etic values</li> <li>- Form a group of competent and trustable people to manage the company</li> <li>- Communicate effectively the operation to stakeholders and society</li> <li>- Create undistorted expectation in the workers on what a cooperative is</li> </ul>	<ul style="list-style-type: none"> <li>- Maintain a strong motivation</li> <li>- Overcame individualism in favour of the cooperative spirit</li> <li>- Maintain a constant exchange of ideas and re-evaluate decisions when necessary</li> <li>- Facilitate participation of all members in the cooperative life</li> <li>- Favour the inside and outside recognition of the new management</li> <li>- Overcome any commercial weakness</li> <li>- Facilitate the entry and the integration of new cooperative members</li> <li>- Create a climate of trust around the cooperative</li> </ul>
<b>ACTORS OF THE PROCESS</b>				
	<ul style="list-style-type: none"> <li>- Workers of the company</li> <li>- Cooperative movement</li> <li>- Founders</li> <li>- Seller(s)</li> <li>- Labour union</li> <li>- Government</li> <li>- Society</li> <li>- Partners of the cooperative (clients and suppliers)</li> </ul>			

## 5. Conclusions

This work represents only a first analysis of worker buyout operations. Further and more detailed studies—also quantitative ones—are needed for a broader understanding of the phenomenon, and for widening its use. Without doubt, one of the main limitations of this study rests on the fact that interviews were only conducted with the presidents of the cooperatives. This did not allow to evaluate the opinions of the other members, in particular regarding the management of the cooperative and their participation in the decision-making process. Furthermore, this study focuses on six successful cases. In order to make this instrument more effective and enhance its potential use, it would be interesting to identify the potential causes of non-success.

The Italian and French models present numerous points in common, as highlighted in the synthesis scheme (Table 2), however, there are also some important differences. In France, the presence of a single association of cooperatives facilitates for workers the search for assistance to start the process. In Italy, access to public funds specifically dedicated to WBO operations simplifies the execution of operations in case of poor financial possibilities of workers. In general, financial aid assumes a higher importance in Italy than in France, and the realization of WBO operations in healthy companies is not encouraged enough in Italy.

What clearly emerges is the need for operators specialized in cooperation and WBO, who can help workers overcoming all the economic and financial problems they face in the buyout process. WBO operations favour the active participation of citizens in the economic life of the country, thus enhancing the entrepreneurial spirit, as encouraged at the European level. Additionally, these operations favour the overcoming of the logic of welfarism: by exploiting the laying-off fund and the mobility payment they allow to generate positive economic returns.

In the end, the WBO operation carried out through the cooperative model is an option that exists and that can work, but it deserves to be additionally studied to be fully exploited.

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