



CIRCULARITY.ONE

Regenerative Community Enterprise

Feasibility Study:

Community Enterprise for Collective Prosperity

Lead Contacts:

Shane Lapp

E: shane.lapp@circularity.one

P: 778-363-2531

Barri Harris

E: barri.harris@circularity.one

P: 604-839-4216

Website: www.circularity.one

Partners:



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Revision Note (July 2025)

This feasibility study was originally included within a 2024 feasibility study for a Community Energy Initiative, which was graciously funded by ETSI-BC. The Community Energy Initiative has since been funded by NRCan for Smart Grid Regulatory Innovation, and the project is underway in collaboration with the City of Penticton, BCIT, Extropic Energy, and Penticton Indian Band.

Additionally, the original study was under the name Okanagan Circular Society (OCS). This is still the legal name of our federal not-for-profit, however, the initiative has been renamed Circularity.One.

1. Executive Summary

The traditional economic models that have shaped our world for decades are showing signs of strain, revealing deep-seated issues that demand innovative solutions. Circularity.One's Community Enterprise Framework represents an innovative approach to resilient and sustainable community economic development currently being developed in the Okanagan. This feasibility study introduces the Community Enterprise as a scalable solution for democratic community ownership of assets and businesses, with a demonstrated potential for building resilient, equitable communities.

The study is structured to progressively build understanding and demonstrate the value of the Community Enterprise framework, from its conceptual foundations to its practical implementations and transformative community potential. Through each section, we'll see how it integrates and amplifies the strengths of various approaches, positioning it as a scalable, innovative solution for resilient community economic development:

Section 2 - 'Study Orientation and Background' – Provides context for a new economic paradigm, sustainability as enterprise design, study methodology, and initiative background.

Section 3 - 'Research and Validation: Community Economic Development' – Our research explores leading-edge community economic development initiatives, including: StrongerBC Economic Plan, Community Wealth Building approaches, and Indigenous Economic Reconciliation. This research identified a critical gap: the lack of a unifying framework for deeply democratic community ownership of assets and businesses.

Section 4 - 'Community Enterprise: Key Features and Innovations' – The Community Enterprise framework addresses this gap, serving as the missing link in community economic development. It creates a platform for government, business, and social sectors to collaborate towards shared community goals.

1. **Innovative Structure:** A federal not-for-profit corporation umbrella owns a holding company, which in turn owns subsidiary for-profit ventures (including Community Energy / Solar). This structure enables community ownership while attracting diverse capital.
2. **Self-Governance:** Employs Sociocracy and Holacracy for transparent, decentralized decision-making, fostering deeper democracy and collective intelligence. This includes integrated circle structure and practices.
3. **Community Lab & Venture Builder Accelerator:** Facilitates deep community collaboration, along with the development and growth of community-owned enterprises.
4. **Exit to Community:** Provides a pathway for existing businesses to transition to democratic community ownership, addressing the upcoming wave of business successions. With 75% of businesses and \$2T in assets transitioning hands over the next decade, this represents a prime opportunity for scaled Community Wealth Building.

Section 5 - 'Practical Applications: The Parts in Practice' – Our research examined BC / Canadian examples that validate our approach, including: 1) Regenerative Capital Group - 'Entrepreneurship through Acquisition', 2) Just Like Family - Innovative Social Enterprise Acquisition, 3) The Social

Acquisition Fund - Scaled Social Acquisition, 4) Multi-million dollar gifts of real estate holding companies and donated business to regional Community foundations.

Section 6 - 'Validation: The Whole Is Larger Than The Sum Of Its Parts' – The Community Enterprise framework aligns closely with regional and Indigenous economic reconciliation needs, and supports the StrongerBC Economic Plan, underscoring the relevance of the model.

Section 7 - 'Co-Creating Our Collective Prosperity' – Invitation to funders and community partners to collaboratively build the Community Enterprise as a shared platform for our collective prosperity.

Roadmap & Next Steps for Community Enterprise (Section 8):

To fully develop Community Enterprise framework potential, we propose the following roadmap:

1. Expand community awareness, partnerships, and funding relationships
 - a. Collaborate with civic innovators and impact investors
 - b. Engage other key stakeholders: ETSI-BC, COEDC, Community Futures, Municipalities, Accelerate Okanagan, Community and Private Foundations, Investment groups, etc
2. Establish business acquisition pipeline
 - a. Work with partners to identify and assess viable businesses
 - b. Develop a diverse portfolio and build strategic relationships
3. Implement Community Enterprise Corporate Framework
 - a. Finalize the corporate framework, including updating bylaws and governance structures in collaboration with First Nations
 - b. Further research and integrate philanthropic pathways for gifting assets into direct community ownership and control
 - c. Gain necessary licensing and certifications to offer coaching, implementation support and training in circular operating systems such as Holacracy and Sociocracy
 - d. Develop localized training programs and incubation strategies

Conclusion

The time to act is now. Circularity.One's Community Enterprise framework presents a transformative approach to economic development, addressing critical gaps in community ownership, wealth-building, and sustainability. With imminent business successions and growing economic disparities, this integrated model provides a timely pathway to resilient, equitable communities.

Implementing Community Enterprise represents a paradigm shift from traditional ownership and decision-making structures, requiring intentional and collaborative action. This journey represents more than a roadmap; it's a bold invitation to revolutionize our economic relationships and co-create a more resilient, sustainable future for all. The success of the Community Enterprise hinges on funding and collaboration with key stakeholders across sectors. **Together, we have the opportunity to establish a groundbreaking pilot in the Okanagan – one that could serve as a model for Canada and potentially inspire similar initiatives worldwide.**

2. Study Orientation and Background

2.1. New Economic Era

We stand at the threshold of a transformative moment in economic history. The traditional economic models that have shaped our world for decades are showing signs of strain, revealing deep-seated issues that demand innovative solutions. This strain is further exacerbated by emerging tensions, such as the rapid advancement of artificial intelligence and deepening political divisions, which are reshaping the socioeconomic landscape in unprecedented ways.

Despite increased funding for social support systems, many communities are struggling. Rising needs for affordable housing, quality food, education, and health services are outpacing available resources. This growing disparity has sparked a recognition that we need innovative approaches to economic development—approaches that reduce systemic inequities, foster community resilience, decentralize power, and build the regenerative capacities of our communities. The supply chain disruptions experienced during COVID offered a stark appreciation for greater localization of supply/distribution chains for greater resilience. Community ownership models have the potential to improve localization and reduce the impact of global/national disruptions on local economies.

Traditional business models, designed primarily to maximize profits, have contributed to rapidly widening societal wealth gaps and environmental degradation. While these models have undeniably fostered technological advancements, they have also led to an unprecedented concentration of power and wealth in the hands of a few, while large corporations and private equity firms often wield more influence than governments.

The gravity of this wealth concentration is illustrated by recent statistics, which show that the gap between rich and poor is widening at the fastest pace on record¹. In the first quarter of 2023, the wealthiest 20% of households in Canada accounted for more than two-thirds (67.8%) of the country's total net worth, while the bottom 40% held just 2.7%. This growing disparity underscores the urgent need for systemic change to address the increasing economic inequalities.

2.2. Paradigm Shift in Sustainability

There is also a growing awareness that sustainability encompasses far more than the traditional focus on reducing greenhouse gasses, recycling, and minimizing pollution. A deeper understanding is emerging: our current economic system, with its emphasis on businesses that single-mindedly maximize shareholder value, lies at the core of growing societal challenges.

¹ Distributions of household economic accounts for income, consumption, saving and wealth of Canadian households, 2023: <https://www150.statcan.gc.ca/n1/daily-quotidien/230704/dq230704a-eng.htm>

This recognition is giving birth to a new economic paradigm of sustainability - one that redesigns enterprise to focus on principles of regeneration, working within nature's cycles, and distributing value more equitably among all contributors. As Kate Raworth (Donut Economics) and Marjorie Kelly (Economic Democracy) aptly put it:

'Deep enterprise redesign' – transforming the underlying structures of who holds power and toward what end in business – **is the new frontier of sustainability** and the beginning of the end of shareholder primacy.²

From this awareness, next-generation economics and enterprises are emerging, driven by a transformative question: "How many benefits for society and the living world can we generate?"

2.3. Study Methodology

The study methodology included extensive literature reviews, analysis of trends, examination of policy environments, facilitation of working sessions, interviews, evaluation of best practices, attendance at key conferences, and collaboration with industry experts. Throughout the process, the Community Enterprise framework was further developed and validated for its transformative approach to economic development, addressing critical gaps in community ownership, wealth-building, and sustainability.

2.4. Initiative Background: Community Design Lab

Origins and Evolution

Circularity.One's Community Enterprise emerged from a visionary collaboration between Okanagan coLab and Equila Consulting. Recognizing the need for a holistic, community-centered approach to economic development, in 2020, these organizations co-hosted a six-week Community Design Lab that engaged diverse community leaders to co-design a scalable framework to address growing community challenges.

The Design Lab embraced the concept of 'deep enterprise redesign' - drawing from leading research on circle practices, decentralized governance, ecological wisdom, and transformative economic practices. Articles and videos from Dr. Jeannette Armstrong of the Syilx Okanagan Nation provided important context on sustainability, governance, and connection with the land. Additionally, Community Wealth Building emerged as a key economic approach for community resiliency, emphasizing local ownership and democratic governance.

² Prototyping the future, 2024:

<https://www.pioneerspost.com/news-views/20240611/prototyping-the-future-how-next-generation-enterprises-are-unlocking-solutions>

Design Question

The Lab posed a pivotal design question: "What would we do if you had \$5 million to create a working model of a resilient community and regenerative economy that can scale to meet the needs of all community members?" This approach to community innovation sought to reimagine the fundamental structures and organizations of our communities, addressing root causes of challenges rather than just symptoms.

Outcome: Community Enterprise

The result was the Community Enterprise - a framework designed to integrate the best of social innovation, traditional economic development, and government initiatives into a cohesive, scalable model for collective prosperity.

In 2020, the Okanagan Circular Society (OCS) was incorporated as a Federal Not-For-Profit Corporation to advance the innovative Community Enterprise framework. In 2025, the name Circularity.One was adopted, both simplifying the name and symbolizing an integration of coLab and the OCS.

2.5. Community Depth Psychology Foundations

The Community Enterprise framework is earthed in Community Depth Psychology principles, which work in tandem with Indigenous wisdom. This approach emphasizes the interconnectedness of personal growth and holistic community well-being, recognizing the intrinsic links between physical, emotional, intellectual, and spiritual aspects of individuals and their connection to external community systems and governance.

Key aspects of this foundation include:

1. **Psychological Wholeness and Indigenous Wisdom:** Community Depth Psychology integrates Jungian psychology concepts and Indigenous perspectives to foster a comprehensive understanding of human potential. This approach emphasizes the integration of conscious and unconscious aspects of the psyche, aligning individuals with their innate capacities and reconnecting them with nature.
2. **Transformative Systems & Practices:** The approach moves away from top-down power structures towards circular and regenerative systems that reflect living organisms. Circle practices serve as powerful dialogue tools and system approaches, nurturing human potential and harmonizing energy flow. These practices foster deeper connections and more inclusive decision-making processes, tapping collective intelligence.
3. **Psychological Development:** Growth occurs through the constructive interaction between conscious and unconscious elements. This process involves integrating shadow aspects - those parts of ourselves and community we tend to reject or suppress - and embracing tension as a catalyst for development. When approached mindfully, generative conflict can

lead to personal and collective transformation, fostering resilience and innovation within communities.

3. Research and Validation: Community Economic Development

To fully appreciate the innovative nature of Circularity.One's Community Enterprise, we must first understand the landscape of existing community economic development efforts. This section highlights critical initiatives that provide essential context for our approach. By examining these foundations, we have summarized common opportunities, limitations, and systemic gaps (see Section 3.4). These insights are vital in understanding how the Community Enterprise framework has been shaped and why it is uniquely positioned to address existing challenges and seize emerging opportunities.

3.1. StrongerBC Economic Plan and Mission-Oriented Approach

The Government of BC recognizes mounting societal challenges, and within their 2022 **StrongerBC Economic Plan**³, they set out a vision of "building an economy that works for everyone" by focusing in two key areas:

1. Inclusive Growth

- Supporting People and Families
- Building resilient communities
- Advancing true, lasting and meaningful reconciliation with Indigenous Peoples.

2. Clean Growth

- Meeting B.C.'s climate commitments
- Leading on environmental and social responsibility
- Fostering innovation throughout the economy

3.1.1. Mission-Oriented Approach to a Renewed Economy

To advance these goals, the Minister of Jobs, Economic Recovery, and Innovation consulted with Prof. Mariana Mazzucato, a globally recognized economist. Mazzucato published her report in 2022, titled "*Inclusive and Sustainable British Columbia: A Mission-Oriented Approach to a Renewed Economy*,"⁴ with a core message:

Building a stronger and more productive economy while addressing social inequalities and tackling the climate emergency are not mutually exclusive goals; instead, they must go hand in hand.

³ "B.C.'s Economic Plan: Building an economy that works for everyone", Updated Feb. 17, 2022.

<https://news.gov.bc.ca/releases/2022IERI0004-000230>

⁴ "Inclusive and Sustainable British Columbia: A mission-oriented approach to a renewed economy", 31 March 2022.

<https://www.ucl.ac.uk/bartlett/public-purpose/publications/2022/mar/inclusive-and-sustainable-british-columbia-mission-oriented-approach>

Mazzucato advocates for mission-oriented approaches to address grand societal challenges that are cross-sectoral and ambitious. Achieving this requires a massive redirection of the economy and a new approach to economic policy that envisions an 'entrepreneurial state' as a lead investor and risk-taker in the economy. Instead of merely 'fixing' markets, the state should co-create and shape new markets. Hence, BC should seek to forge a new social contract between government, for-profit, and non-profit to better align risks and rewards to create more symbiotic and mutualistic partnerships. This approach aims to deliver sustainable and inclusive outcomes by design, demonstrating that markets can be co-created and shaped to serve diverse goals while delivering greater prosperity for all.

Highlights / recommendations from the 'Mission-Oriented' Report:

1. **Adaptive Governance:** New governance models are needed to foster cross-sectoral and cross-institutional collaboration, enabling environments for continuous experimentation. The report highlights that developing capacities for adaptive governance requires training beyond traditional frameworks to ensure that institutions can effectively respond to evolving challenges and opportunities.
2. **Citizen Participation:** Ongoing citizen engagement is a vital component for maintaining legitimacy and public trust. The report emphasizes the importance of avoiding capture by any single group and instead fostering 'collective intelligence' that represents the diversity of the community.
3. **Public Procurement:** New public procurement policies should prioritize criteria beyond cost, considering broader factors that align with mission-oriented goals, such as innovation, sustainability, and local economic growth. By doing so, public procurement can drive innovation and contribute to broader social and environmental objectives. NOTE: BC has implemented a Social Procurement initiative⁵ which is aligned with Public Procurement.
4. **InBC Investment Fund:** The InBC Investment Fund is a \$500 million initiative created by the Province of British Columbia to support high-growth potential businesses that align with the province's broader economic, social, and environmental goals. The Mazzucato report recommends that this fund be strategically used to finance underserved communities that may not fit the typical risk/reward profiles of conventional investors and financial institutions, including SMEs, cooperatives, Indigenous-led businesses, and women-led businesses. This approach supports resilient community economic development.

3.1.2. ETSI-BC Funding in Support of StrongerBC Economic Plan

In 2005-06, the Province created the Economic Trust of the Southern Interior of British Columbia (ETSI-BC) with a one-time payment of \$50 million. ETSI-BC's mandate focuses on enhancing

⁵ British Columbia Social Procurement Initiative (BCSPI), 2024:
<https://bcspi.ca/about-british-columbia-social-procurement-initiative/>

economic sustainability, diversity, and growth in the Southern Interior of British Columbia. Their funding strategy fosters complementary opportunities for community development:

- **Long-lasting impact:** ETSI-BC prioritizes projects that deliver measurable, enduring benefits to communities.
- **Ecosystem development:** By filling gaps and seeding new initiatives, ETSI-BC contributes to building human capital, economic development capacity, and business resilience.
- **Innovation and key sector advancement:** ETSI-BC supports innovation and key sector growth across the region.

In 2023, the provincial government provided an additional \$10 million⁶ in funding to ETSI-BC as part of the StrongerBC Economic Plan. This investment aims to create jobs, support innovation, and build a strong, sustainable, and inclusive economy that benefits everyone.

3.2. Community Wealth Building: Resilient Economic Development

Community Wealth Building is an innovative economic development model that transforms local economies by fostering direct community ownership and control of assets. This approach was pioneered by the Democracy Collaborative, an American think tank and research center based in Cleveland, Ohio. Since its inception in the early 2000s, the Democracy Collaborative has been at the forefront of researching and developing strategies to create democratic economies that are both economically resilient and environmentally sustainable.

The core philosophy of Community Wealth Building is rooted in the belief that local communities should have a significant stake in their economic future. This is achieved through various mechanisms that enable communities to own, control, and benefit from local economic assets and institutions. The model has gained rapid acceptance worldwide due to its potential to address pressing issues such as wealth inequality, economic instability, and environmental degradation.

Community Wealth Building is based on five essential pillars:

1. **Plural ownership of the economy:** Promoting democratic enterprises with worker and community ownership
2. **Community Finance:** Redirecting financial power to benefit local communities
3. **Fair Work:** Ensuring fair employment practices and just labor markets
4. **Social Procurement:** Encouraging progressive and local procurement of goods and services, particularly by 'anchor institutions' (governments, academia, hospitals, etc.)
5. **Community Property:** Facilitating socially productive use of land and property

⁶ BC Gov New: More funding supports economic development, 2023: <https://news.gov.bc.ca/releases/2023IEDI0016-000403>

By implementing these principles, Community Wealth Building aims to create local economic systems that are more equitable, sustainable, and resilient to economic shocks. Its success in Cleveland, Ohio and its adoption by the Scottish Government in their pursuit of a wellbeing economy, underscores its potential as a transformative economic model. Community Wealth Building has been demonstrated to create higher wages for workers, retain wealth within communities, and promote equity across diverse populations.

By moving beyond the creation of individual businesses to a systems approach for community economic development, Community Wealth Building accelerates overall collective wellbeing and positions communities for long-term economic success.

3.2.1. Ownership Matters Conference

The Ownership Matters conference in Victoria, BC (May 2-3rd, 2024), hosted by Scale Collaborative and Royal Roads University, served as a crucial platform for exploring innovative approaches to Community Wealth Building. This event brought together leading practitioners and thinkers from across Canada, providing an opportunity to validate key aspects of the Community Enterprise Framework.

A highlight of the conference was connecting with Neil McInroy, the Global Lead for Community Wealth Building, who delivered the keynote address and a presentation on community renewable energy. In conversation with him, an important tension was noted between Mariana Mazzucato's Mission-Oriented approach at the government level and the practical implementation of Community Wealth Building strategies on the ground. This tension was underscored by the conference demographics, which were predominantly non-profits, philanthropic foundations/charities, and social enterprises, with a noticeable absence of traditional government-funded economic development groups.

From the conference, three core themes emerged along with two significant opportunities for Community Wealth Building:

Key Themes:

1. **Concentration of Wealth and Power:** There is growing concern over the concentration of power and wealth through traditional private equity models. These models often extract resources and vitality from communities and businesses.
2. **Limitations of Traditional Business Models:** Existing business models are often inadequate for the scale and scope required by Community Wealth Building initiatives (see Section 3.2.2. for more information).
3. **Missing Framework for Scaled Democratic Community Ownership:** A critical gap emerged in the form of *a missing scalable framework for democratic community ownership and governance*. Participants recognized the need for an innovative model that can effectively

balance community benefit with financial viability, while operating at a scale capable of competing in the broader economy.

Key Opportunities:

- **Massive Transition of Wealth:** Over the next decade, 75% of SME owners plan to sell their businesses, resulting in \$2 trillion in asset transitions. This shift presents risks of private equity domination but also opportunities for Community Wealth Building through innovative ownership models that preserve local control and promote economic stability.
- **Philanthropic Capital:** In Canada, \$128 billion is held in philanthropic foundations, including over \$5 billion in Community Foundations. This capital presents a significant opportunity to reinvest in local communities, fostering resilient, local economies by directing funds into community assets. By relocalizing this capital, it's possible to achieve sustainable development and lasting social impact while still maintaining consistent investment returns.

3.2.2. Tradition Social & Community Business Models & Limitations

While Community Wealth Building approaches have laid foundational principles for community-centered economic models, there's a growing awareness that their full potential is often limited by traditional social and community business models. These models, while valuable, may not fully address the scale and complexity of challenges faced by communities today.

This section outlines traditional business models and their inherent constraints, highlighting the need for an integrated and innovative framework to truly achieve the goals of Community Wealth Building at scale.

Cooperatives (Co-ops)

Cooperatives are autonomous, democratically-controlled enterprises owned and operated for the benefit of their members across various sectors. Structured with joint ownership and a one-member, one-vote system, cooperatives can take various forms to meet specific member needs. Their financial model is based on equitable member contribution and fair distribution of economic benefits, offering democratic control, economic participation, and a focus on community development. Cooperatives often demonstrate resilience during economic downturns due to their focus on long-term sustainability.

Research on cooperatives, including renewable energy cooperatives^{7,8}, highlights key limitations:

- **Capital Access and Competition:** Cooperatives often struggle to access sufficient capital for growth and development, particularly in the start-up phase. This can limit their ability to compete effectively with larger, better-resourced for-profit entities in some sectors.

⁷ Accelerating Renewable Energy Co-operatives in Canada: A Review of Experiences and Lessons, 2015:

<https://jeodonline.com/wp-content/uploads/2016/06/5tarhan13aug2015.pdf>

⁸ A Census of Renewable Energy Co-operatives in Canada, 2022:

https://usaskstudies.coop/documents/research-reports/2022.02.08-renewable-energy-co-operatives-in-canada_final.pdf

- **Burnout and Limited Capacity:** Many cooperatives rely heavily on volunteer board and community members, leading to potential burnout due to high demands on unpaid individuals. Additionally, they are often stretched for accounting and legal capacities, limiting their capacity as a singular organization.
- **Majority Rule Governance:** The majority rule democratic nature of cooperatives can lead to slow decision-making processes, difficulties in achieving consensus, and potential conflicts between diverse member interests. This can hinder quick adaptations to changing market conditions or opportunities.

Employee Ownership Trusts

Employee Ownership Trusts (EOT) give employees a significant stake in their company, creating a stable and committed workforce. This structure often leads to enhanced productivity and worker satisfaction, and is increasingly used for business succession. Recent legislative changes in Canada have made EOTs more attractive, with a temporary capital gains exemption for business owners who sell to an EOT. To qualify, at least 51% of the business's stock must be sold to the EOT, with measures designed to ensure equitable distribution of ownership benefits among employees.

A review of EOTs suggests limitations with:

- **Access to Capital:** EOTs may face difficulties in accessing necessary growth capital. Traditional financing options are often more complex for EOTs due to their dispersed ownership structure, potentially limiting their ability to fund expansion or major investments.
- **Challenges in Scaling:** Scaling a business under an EOT can be challenging because the need to maintain broad employee ownership can limit the ability to bring in outside investors or to issue new equity for growth. This constraint may hinder rapid expansion or entering new markets that require significant capital infusion.
- **External Expertise:** Attracting and retaining top-tier external management or board members can be difficult if those individuals perceive that their influence or compensation might be limited by the EOT structure. This can result in a potential lack of diverse perspectives and specialized skills needed for strategic decision-making and innovation.

Community Land Trusts

Community Land Trusts (CLT) are nonprofit organizations that acquire and manage land on behalf of a community, primarily focusing on creating and maintaining affordable housing. CLTs retain ownership of the land while selling or leasing buildings to residents, ensuring long-term affordability through below-market rates and resale restrictions. In Canada, CLTs are an emerging model for addressing housing affordability, particularly in urban centers, and are typically governed by a board that includes residents, community members, and public interest representatives.

A review of CLTs suggests limitations with:

- **Scaling Challenges:** CLTs are often rooted in specific neighborhoods, making expansion difficult due to the need for localized governance and community involvement. Scaling requires significant resources, including capital for land acquisition and increased administrative capacity.
- **Capital Access Issues:** Acquiring land in urban areas is increasingly expensive, and CLTs often struggle to compete with private developers. Securing funding for affordable housing development and maintenance is challenging, with CLTs relying on unpredictable sources like grants and donations.
- **Balancing Affordability and Sustainability:** CLTs must balance maintaining affordability with financial sustainability. They need to generate enough revenue to cover costs and invest in future projects while keeping housing costs low, which can create conflicts between affordability goals and operational needs.

Social Enterprises and Impact Investing

Social enterprises and impact investing blend business acumen with social and environmental missions, challenging the traditional divide between profit-driven enterprises and charities. These models pursue financial returns alongside societal impact, often developing innovative ways to measure and report their social impact. Impact investing supports social enterprises by providing mission-aligned capital, allowing them to scale their impact without depending entirely on external funding and potentially creating long-term solutions to social issues.

A review of social enterprises and impact investing suggests limitations with:

- **Scalability Challenges:** Many social enterprises focus on specific issues in niche markets, limiting their ability to scale. Their impact, while significant in targeted areas, may struggle to address larger societal issues effectively.
- **Capital Constraints:** Traditional investors may hesitate to invest in social enterprises due to perceived trade-offs between financial returns and social impact. This limits available capital, hindering growth and scaling of operations.
- **Balancing Social and Economic Viability:** Some social enterprises prioritize social outcomes heavily, limiting their economic viability. This imbalance can prevent financial sustainability and effective impact scaling, limiting long-term community benefit.

3.2.3. Emerging Opportunity - Exit To Community

The impending wave of baby boomer retirements presents a transformative opportunity for Community Wealth Building. **Over the next decade, an estimated 75% of small and medium-sized enterprise (SME) owners plan to sell their businesses, potentially transitioning \$2 trillion in assets.** This massive shift offers a unique chance to move a substantial portion of our local economy into community ownership, rather than further concentrating wealth through private equity acquisitions.

Exit to Community is a process that transitions businesses and assets from private to community ownership, creating lasting community benefit across various sectors such as housing, food, energy, and healthcare. This approach establishes a foundation for scalable, resilient community systems.

An Exit to Community involves three key changes: 1) a shift in ownership, 2) a transformation in governance, and 3) a realignment of mission towards social and environmental good while maintaining or improving revenue generation. The transition typically occurs when:

1. Business owners seek succession options due to retirement
2. Entrepreneurs are ready to exit after building their businesses through the start-up phase

Community Value

Exit to Community, combined with training community entrepreneurs, offers significant value for communities:

1. **Lower Risk:** Acquiring existing businesses with proven models and customer bases presents lower risk compared to startups. This approach leverages established market presence and operational systems, reducing the uncertainties typically associated with new ventures.
2. **Preservation of Local Economic Value:** By transitioning ownership locally, this model maintains existing jobs and economic activity within the community. It prevents the potential loss of businesses to outside investors or closure, safeguarding local economic ecosystems.
3. **Immediate Impact:** Unlike startups that may take years to become profitable, acquired businesses can be quickly integrated into community wealth-building efforts. This allows for immediate reinvestment of profits into community initiatives and faster realization of social benefits.
4. **Scalability:** The model enables rapid expansion of community-owned business portfolios across various sectors. As more businesses transition to community ownership, it creates a network effect, amplifying the overall impact on community wealth and well-being.
5. **Mentorship and Growth Support:** By providing capital support and mentorship to community entrepreneurs, this approach ensures that businesses not only survive the transition but thrive under new ownership, fostering sustainable growth and innovation.

Transition Process

The University of Waterloo's 'Leadership Legacy Lab'⁹ has outlined a general flow for community acquisitions, which includes phases such as business identification, community engagement, deal structuring, and post-acquisition integration (see Figure 1 below):

It Is Happening in BC

Successful models are already emerging in British Columbia, demonstrating the potential of this approach:

⁹ University of Waterloo's 'Leadership Legacy Lab' Final Report, 2021:
<https://uwaterloo.ca/legacy-leadership-lab/legacy-leadership-lab-cultivating-social-acquisition>

1. Social Acquisition: Just Like Family (Section 5.2) exemplifies the transition from a single franchise to community ownership, expanding services and reinvesting profits into charitable initiatives.
2. Entrepreneurship Through Acquisition: Regenerative Capital Group (Section 5.1) provides capital, training, and mentorship to purpose-driven entrepreneurs, enabling them to acquire and transform existing businesses for enhanced community benefit.
3. Philanthropic Exit to Community: A BC Community Foundation received a gift of a \$35 million real estate holding company, comprising 14 commercial buildings. This significant donation demonstrates the potential scale of philanthropic exits to community ownership (further details in Section 5.4).

While these models show promise, they often operate in isolation from traditional economic development channels and are currently missing opportunities for deeper democratic practices and economic reconciliation.

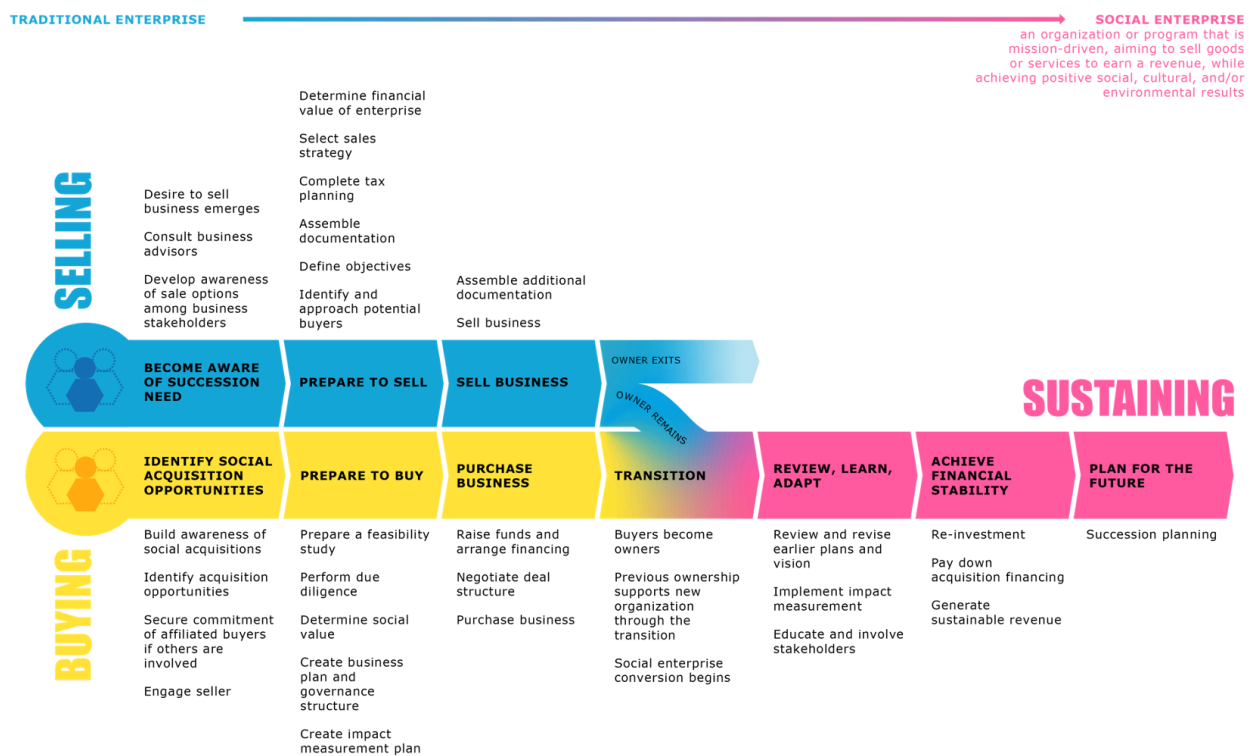


Figure 1 - Community Acquisition Phases (Source: University of Waterloo L3)

3.3. Indigenous Economic Reconciliation

Indigenous economic reconciliation is a crucial component of building a truly inclusive and sustainable economy, as outlined in the StrongerBC Economic Plan and ETSI-BC's mission, which

emphasize advancing true, lasting, and meaningful reconciliation with Indigenous Peoples. From its inception within the 2020 Community Design Lab, the Community Enterprise has incorporated local Indigenous perspectives on governance and economic reconciliation, recognizing that these are fundamental aspects of creating shared prosperity, not merely add-ons to existing frameworks.

3.3.1. Building a New (Collective) Table

Through our invitation to speak at the 'Cultivating Authentic Leadership Conference: Creating Inclusion' on Diversity, Equity, and Inclusion (DEI) in May 2024, we connected with Chief Leanne Joe (Sxwpilemaát Siyám), one of sixteen Hereditary Chiefs of the Squamish Nation. Within Chief Joe's book on economic reconciliation, titled 'Step into the River: A Framework for Economic Reconciliation',¹⁰ she highlights that:

"Reconciliation is not about having more seats at the current table, but rather transforming the ways in which we are in relation to one another and make decisions about our collective future." ~ Chief Leanne Joe (Sxwpilemaát Siyám)

With this in mind, we have an opportunity to move beyond 'us vs them', or even 'us and them' thinking, into a collective future where we are transforming the economic table to build a stronger, shared foundation.

"Reconciliation must inspire Aboriginal and non-Aboriginal peoples to transform Canadian society so that our children and grandchildren can live together in dignity, peace, and prosperity on these lands we now share."

~ Canadian Trust & Reconciliation Report¹¹ ~

3.3.2. En'owkin: A Model for Sustainable Community

Dr. Jeannette Armstrong, an Elder of the Okanagan Syilx Nation, provides valuable insights through the concept of En'owkin, which she explores in her article 'En'owkin: What It Means To Be A Sustainable Community'¹². At the heart of En'owkin is the recognition that each individual possesses unique gifts. Dr. Armstrong emphasizes that people can only achieve their full potential through the balanced integration of physical, emotional, intellectual, and spiritual well-being. Crucially, she notes

¹⁰ Step into the River: A Framework for Economic Reconciliation, 2022: <https://www.siyamconsulting.com/step-into-the-river>

¹¹ Honouring the Truth, Reconciling for the Future Summary of the Final Report of the Truth and Reconciliation Commission of Canada, 2015: https://ehprnh2mwo3.exactdn.com/wp-content/uploads/2021/01/Executive_Summary_English_Web.pdf

¹² En'owkin: What It Means to Be a Sustainable Community, 2009: <https://www.ecoliteracy.org/article/enowkin-what-it-means-be-sustainable-community>

that these aspects of existence are deeply intertwined with external factors, including community governance.

The En'owkin process, a governance model rooted in this holistic understanding, is designed to assist and guide in restoring wholeness to communities. It offers a framework for decision-making and community building that honors individual uniqueness while fostering collective harmony. In her article, Dr. Armstrong outlines the following key principles of En'owkin:

1. **Deeper Democracy:** En'owkin emphasizes that true democracy is not about majority rule, but about collaboration and consensus. As Dr. Armstrong states: ***"Real democracy is not about power in numbers, it is about collaboration as an organizational system."*** This contrasts sharply with the widely used Robert's Rules of Order for majority rule, which can lead to marginalization of minority voices and create division within communities.
2. **Collaborative Decision-Making:** The En'owkin process ensures that all voices are heard and integrated into decisions: ***"Collaborative decision-making engages everyone in the process; decisions are not handed down by leaders 'empowered' to decide for everyone. It is a negotiated process that creates trust and consensus because the solution belongs to everyone for all their own reasons."***
3. **Long-term Community Well-being over Short-term Profits:** En'owkin emphasizes the importance of considering the long-term impacts of decisions on the entire community, rather than focusing on short-term gains. This principle challenges the prevalent business model that prioritizes immediate profits over sustainable community well-being.

These principles played a foundational role in our 2020 Community Design Lab, informing the development of the Community Enterprise ownership structure and governance. Our framework presents an opportunity to integrate and learn from/with the Syilx wisdom, while simultaneously incorporating leading-edge Self-governance and Self-management practices that have proven effective in modern organizations.

3.3.3. Community Wealth Building - Indigenous Perspective

Community Wealth Building aligns closely with Indigenous perspectives, and within Chief Joe's book on Economic Reconciliation, it is referenced the Democracy Collaborative's paper: 'An Indigenous Approach to Community Wealth Building: A Lakota Translation'¹³. The paper offers clear insights into how Community Wealth Building directly relates to Economic Reconciliation:

¹³ An Indigenous Approach to Community Wealth Building: A Lakota Translation, 2018:
<https://base.socioeco.org/docs/communitywealthbuildingalakotatranslation-final-web.pdf>

1. **Collective Ownership:** The Lakota perspective emphasizes democratic community ownership and stewardship of resources, fostering a sense of shared responsibility and benefit.
2. **Holistic Wellbeing:** Economic development is viewed as inseparable from cultural, spiritual, and environmental wellbeing, promoting a comprehensive approach to community prosperity.
3. **Intergenerational Thinking:** This perspective stresses the importance of considering how decisions impact future generations, encouraging long-term, sustainable planning.
4. **Reciprocity and Redistribution:** These principles focus on circulating wealth within the community and ensuring equitable distribution of benefits, strengthening social bonds and overall community resilience.

Community Wealth Building, with integrated Indigenous perspectives, offers a powerful starting point for co-creating an economic system that is not only financially sustainable, but also culturally rich, environmentally responsible, and socially equitable.

3.4. Summary - Opportunities, Limitations, & Missing Link

This section has reviewed foundational community economic development approaches and traditional social / community business models, while also introducing Indigenous perspectives on community governance and approaches to wholeness. It has revealed a landscape of rich potential, however, often disjointed between economic development, social innovation, and Indigenous practices. These findings present both a critical challenge and an unprecedented opportunity for transformative change in how we structure our local and global economies.

The Opportunities:

Our research has uncovered a diverse array of initiatives that hold rich potential, each contributing unique elements to the puzzle of community prosperity:

1. Government-led strategies, such as the StrongerBC Economic Plan, envision an 'entrepreneurial state' actively shaping markets for inclusive, sustainable outcomes.
2. Community Wealth Building approaches are reimagining ownership structures, aiming to keep assets and benefits local while fostering community resilience.
3. Massive transition of business and wealth, with the potential to transition in democratic community ownership through Exit to Community
4. Indigenous economic models offer profound insights into collective prosperity, deep democracy, and intergenerational stewardship of resources.

The Limitations and Reality:

Despite these innovation approaches, we face sobering realities that highlight the limitations of models and current economic realities:

1. Wealth concentration continues unabated, with the gap between the rich and poor growing at record pace.
2. A confirmed disconnect persists between high-level economic policies and on-the-ground implementation, limiting the impact of well-intentioned initiatives.
3. Current private equity business models, positioned to capitalize on business succession and ownership transition, threaten to further concentrate wealth unless alternative models can be rapidly scaled and implemented. Private equity ownership often extracts value from communities rather than reinvesting in them.
4. Existing business models remain ill-equipped to support community benefit initiatives at scale, hindering their ability to compete against private equity and major corporations.

The Missing Link - Unifying Framework:

It's been consistently identified that current approaches are missing a unifying framework for deeply democratic community ownership of assets and business, capable of:

- Scaling community ownership models to compete effectively in a global economy while maintaining local control and benefit.
- Providing adaptive governance structures that maintain community control and foster deep democracy at scale.
- Cross-sectoral collaboration of government, private business, social enterprises, and community organizations, with the capacity to aggregate expertise and capital for collective prosperity.

4. Community Enterprise: Key Features and Innovations

Circularity.One's Community Enterprise framework emerges as the missing link in community economic development, bridging the gap between visionary ideas and practical implementation. This comprehensive model offers a transformative approach that is greater than the sum of its parts, addressing critical challenges in our current economic landscape.

At its core, the Community Enterprise creates a powerful platform for cross-sector collaboration, generating community wealth and well-being while innovatively tackling systemic challenges. This framework provides a scalable, collaborative solution that:

- Keeps wealth circulating within communities
- Ensures long-term community control over vital assets
- Aligns business operations with community needs and values
- Fosters deep democratic and inclusive economic structures

By integrating these elements, the Community Enterprise paves the way for a more equitable, sustainable, and thriving community for all. **It reimagines how we approach economic development, ownership, and governance, creating a new "table" where all community members have a voice and a stake in their collective prosperity.**

This section will detail the development and key components of this transformative framework. Importantly, the Community Enterprise is not merely theoretical. Many of its components are already in practice in British Columbia, demonstrating its real-world applicability and potential. The next section, "5 - Practical Application: The Parts in Practice," will examine these examples, providing concrete evidence of how this model can be implemented and scaled.

4.1. Community Enterprise Framework Overview

Circularity.One's Community Enterprise framework evolved from an initial cooperative concept to an innovative corporate structure, guided by expertise from Fasken Law. This evolution allows us to incorporate cooperative principles within a more scalable and flexible corporate system, enabling deeply democratic practices and scaled ownership of businesses and assets. For more on 'Community in Practice' and 'Corporate Framework,' see Appendix A. Appendix B includes a high level structuring memo from Fasken Law evaluating existing legal models and recommending an initial approach for the overarching structure of the Community Enterprise framework.

The framework comprises:

1. **Federal Not-For-Profit Corporation Umbrella:** This overarching structure maintains the Community Enterprise's community-focused purpose of generating community wealth and wellbeing. It serves as a think tank for community innovation and a platform for cross-sectoral collaboration, leveraging existing community organizations and infrastructure. The Okanagan Circular Society was incorporated in 2020 (currently 'doing business as' Circularity.One), and houses two key components:
 - a. **Community Lab (coLab):** A dynamic space fostering education, collaborative practice, innovation, and community building (more in Section 4.2).
 - b. **Venture Builder Accelerator:** Focused on developing new community-owned businesses and for facilitating "Exit to Community" transitions (more in Section 4.3).
2. **Holding Company:** A for-profit entity that holds equity in various community-owned ventures, providing a centralized structure for financial management and oversight. Shared Business Services, housed within the Holding Co., offers fractional expertise across key areas, enabling ventures to focus on their core purpose (more in Section 4.4).
3. **Subsidiary For-Profit Entities:** These are the individual businesses owned by the community, operating under the holding company. Examples may include newly developed ventures like Okanagan Community Energy / Solar, or existing businesses transitioned to community ownership through the "Exit to Community" process.

Self-Governance for Deep Democracy: Complementing this ownership structure is a unique self-governance approach that decentralizes decision-making, fostering deeper democracy and tapping into collective intelligence. Structured as a circular fractal system with double-linked,

semi-autonomous circles, it ensures each part is both independent and interconnected (for details, see Section 4.5)

Integrated Ownership & Investment Structure: The framework incorporates an innovative ownership and investment model that balances community control with diverse investment opportunities. This structure allows for the integration of private and community capital, and creates a balanced ownership model that integrates investor perspectives and returns with community input and co-guidance, fostering a truly collaborative and sustainable Community Enterprise (for details, see Section 4.6)

The framework's hybrid community ownership structure ensures transparency, distributed power, and integrated stakeholder control. It allows for efficient management of community-owned assets while maintaining a strong focus on community benefit and engagement. Additionally, it provides a supportive ecosystem for local private businesses to thrive, fostering a symbiotic relationship between community-owned and private enterprises.

Figure 2 provides an overview of the Community Enterprise framework, illustrating its core aspects and key roles within the structure.

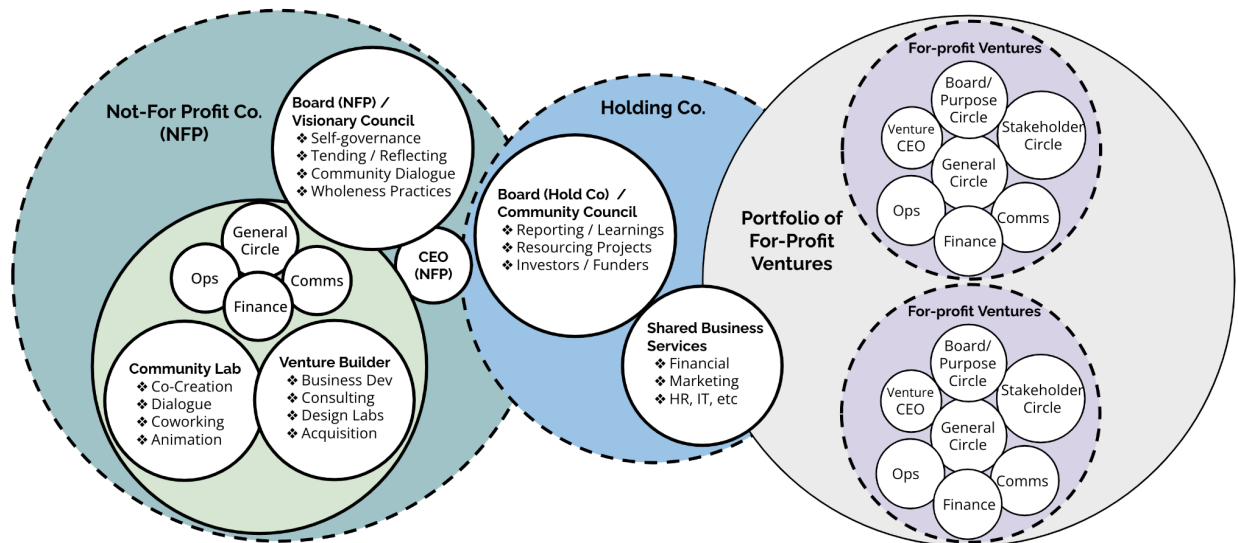


Figure 2: Community Enterprise Framework

The Community Enterprise's integrated approach supports economies of scale, transparency, and iterative processes. It enables private, social, philanthropic, and government sectors to pool resources with a shared purpose of generating long-term community wealth and well-being.

4.2. Community Lab

The Community Lab is housed within the Not-For-Profit Corporation and serves as the heart of our community innovation and engagement efforts. It is a vital component of the Community Enterprise Framework, functioning as a modern "town square" where diverse perspectives converge and collective intelligence flourishes.

By providing a space for community members to gather, co-create solutions, and share knowledge, Community Lab plays a crucial role in actualizing the Community Enterprise's vision of collaborative, community-driven development.

Role: Operates as a cross-sectoral dynamic hub for innovation, education, coworking, and community engagement. It provides a platform for:

- Reimagining and designing regenerative cultures
- Facilitating circle gatherings to address meaningful questions
- Harnessing collective wisdom through active listening
- Experimenting with community-enhancing ideas
- Fostering community through collaborative coworking spaces

Value: Delivers multifaceted benefits to the community:

- Enhances local capacity through skill-sharing and mutual support
- Incubates new community ventures
- Creates forums for community voices to shape initiatives in critical areas such as: community health, food resilience, environmental sustainability, education, infrastructure development

4.3. Venture Builder Accelerator

The Venture Builder Accelerator, housed within the Not-For-Profit Corporation, is a crucial component of our Community Enterprise Framework. It reimagines how businesses are developed, acquired, and scaled for community benefit, encompassing both new ventures (e.g., Community Energy / Solar) and existing businesses transitioning to community ownership.

Role: The Venture Builder Accelerator supports the development and scaling of community-focused enterprises, transforming the traditional capitalist model into a community-based initiative that nurtures both ideas and entrepreneurs. Key aspects include:

- Developing new community-owned ventures from the ground up, such as the Community Solar / Energy Initiative currently under development
- Acquiring and transitioning existing businesses to community ownership (see Section 4.3.1 on Exit to Community)

- Leveraging community resources to grow businesses within the Community Enterprise framework
- Fostering collective ownership that promotes mentoring, employment, and wealth generation

Value: The Venture Builder Accelerator delivers significant value to the community and its enterprises:

- Provides strategic advisory, funding, and operational support
- Ensures ventures align with community wealth-building goals
- Leverages best practices from the private sector for community benefit
- Transforms for-profit businesses into community owned subsidiaries

4.3.1. Community Entrepreneurship & Exit to Community

Circularity.One's Community Enterprise provides the missing link for Exit to Community and scalable, democratic community ownership. By integrating Exit to Community strategies with innovative Self-governance principles, it reimagines ownership and control within our economic landscape. By transforming businesses into vehicles for community benefit, we ensure economic value remains and grows within the community, serving collective prosperity. This alignment of profit with purpose creates a powerful engine for sustainable, equitable growth.

Central to this approach is the development of community entrepreneurs, requiring comprehensive training and support, including:

- Ongoing mentorship from the broader community network.
- In-depth Self-governance training to ensure effective operation within our framework.

By collaborating closely with groups leading in the Exit to Community space (sometimes called Social Acquisition), we can build on their proven approaches and integrate circle / Self-governing practices to achieve the strategic and operational benefits associated with Community Enterprise (see Section 5 for more on these groups)..

The Venture Builder Accelerator provides an avenue for existing community organizations to incorporate self-governance principles and skilling into local programs for business mentorship, evaluation, acquisition, and transformation. Key partnerships could include:

- Accelerate Okanagan: Providing technology business accelerator expertise for due diligence and growth strategies.
- Community Futures: Offering business mentorship and funding opportunities.
- Central Okanagan Economic Development Commission (COEDC): Tapping into their networks and community connections for resilient and sustainable economic development.
- Business Finders: Connecting us with a network of suitable acquisition targets.

4.4. Shared Business Services

Shared Business Services, housed within the Hold Co., offers centralized support for subsidiary ventures, and/or, complementary business / non-profits across administrative, financial, and operational tasks. This allows ventures to focus on growth, innovation, community benefit, and overall sustainability of the Community Enterprise. In exchange, the ventures pay a fee which becomes a flowthrough of capital back into the Hold Co.

Role: Shared Business Services delivers core administrative support across several key areas, including:

- Providing fractional CFO services for strategic financial oversight, along with centralized accounting and financial reporting, to ensure compliance and transparency.
- Managing legal and compliance matters by handling contracts, legal documentation, and regulatory adherence to keep ventures operating within the necessary legal frameworks.
- Supporting human resources through recruitment, development, and HR management, ensuring ventures have access to a skilled and capable workforce.
- Maintaining technology and infrastructure by offering IT support, digital infrastructure management, and data security to ensure smooth and secure operations.
- Developing marketing and communications strategies to enhance visibility, branding, and community engagement across all ventures.

Value: By pooling resources, Shared Business Services will deliver multiple benefits to the community-owned ventures: cost efficiency, operational excellence, scalability, and risk mitigation.

4.5. Self-Governance for Deep Democracy

The Community Enterprise employs an adaptive Self-governance model structured as a circular fractal system. This innovative approach, drawing from proven methodologies like Sociocracy and Holacracy, creates a decentralized decision-making framework that unlocks organizational potential and fosters deep democracy.

Key features of this Self-governing system include:

1. **Circle Structure:** The organization is composed of semi-autonomous circles (small teams) that have the power to:
 - Create detailed roles, accountabilities, and purposes
 - Evolve based on "sensing and responding" to the environment
 - Create and change policies
 - Develop sub-circles as needed
2. **Double Linking:** Each circle connects to its super-circle through representative members, ensuring transparent policy-making and creating feedback loops throughout the system.
3. **Consent-Based Decision Making:** Policy and structural decisions affecting a circle's domain require consent from all circle members, applying to both internal decisions and those from super-circles (see more below).

4. **Self-Determination:** Individuals and circles have the autonomy and authority within their roles and domain to make decisions and take actions as needed. This self-determination allows for rapid response to challenges and opportunities, fostering innovation and efficiency. Applied at an organizational level, participatory budgeting allows for greater self-determination through operational budgeting processes.
5. **Tension-Driven Evolution:** When actions or decisions create tension, it is not viewed negatively. Rather, these tensions are seen as valuable signals for potential improvement. They drive policy and governance changes, allowing the organization to continually evolve through iterative improvements based on collective intelligence.

This dynamic system creates a living, breathing organization that is both scalable and coherent. By embracing this adaptive Self-governing approach, the Community Enterprise becomes more adaptive, resilient, and aligned with its purpose of generating community wealth and wellbeing.

4.5.1. Traditional Decision-Making

The Community Enterprise's self-governance model employs a decentralized decision-making approach that sharply contrasts with traditional methods. Traditional decision-making often relies on hierarchical structures and majority rule, which can lead to power imbalances and overlooked perspectives. While consensus models aim for full agreement, they can be slow, prone to politicking, and may stifle progress.

Figure 3 below highlights the limitations of traditional decision-making approaches.

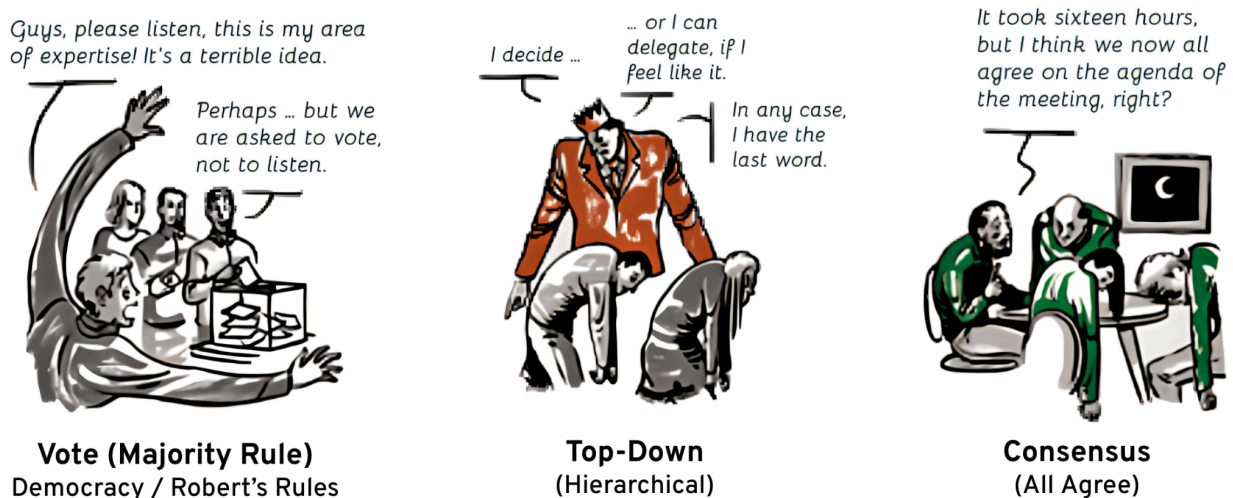


Figure 3 - Traditional Decision-Making (Image source: Reinventing Organizations Illustrated)

4.5.2. Decentralized Authority with Consent Decision-Making

Self-governance employs a more inclusive and efficient approach through distributed authority and decentralized consent decision-making. This model differs significantly from traditional hierarchical structures.

In this system, individuals and circles maintain autonomy within their defined roles and domains. They have the authority to act independently in their areas of responsibility. However, for decisions that impact multiple domains or the organization's structure, a consent process is initiated.

Consent decision-making operates on a principle of "no paramount objections." This means a proposal can move forward if no circle member raises a reasoned, substantial objection. Unlike unanimous agreement, consent doesn't require everyone to agree fully, but rather ensures that no one sees the proposal as harmful to the organization or its goals. Additionally, there are processes to determine if objections are valid, ensuring agile and responsive organizational operation.

Self-governance balances efficiency with inclusivity, allowing for rapid decision-making while still ensuring all voices are heard and critical concerns are addressed. It fosters a culture of shared responsibility and collective wisdom, aligning with the broader goals of the Community Enterprise framework.

Self-governance through Holacracy and Sociocracy is proven successful in thousands of organizations and communities across sectors. For more information:

- Holacracy: www.holacracy.org/
- Sociocracy For All: www.sociocracyforall.org/
- Sociocracy 3.0: <https://sociocracy30.org/>

4.5.3. Revisioning Board Roles, Membership, & Leadership

The Community Enterprise model embraces adaptive Self-governance, distributing authority and decision-making throughout its structure. This approach, as highlighted by Mazzucato, necessitates a shift in understanding and training on differences from traditional board roles.

Self-Governance Integration

The Not-For-Profit Corporation has incorporated Sociocracy's self-governance principles directly into its bylaws, demonstrating a commitment to adaptive Self-governance and deep democratic practices. For more detailed information see Appendix A-6.2.

Innovative Governance Structure

The governance approach revisions the overarching Not-For-Profit board into a Visionary Council. This innovative approach creates a dynamic balance between co-creating community vision and

maintaining operational integrity. The following highlights preliminary roles and responsibilities of the Community Enterprise:

1. Not-For-Profit Level

- **Board / Visionary Council:** Provides overall oversight, including foundational legal and fiduciary duties. Plays a vital role in maintaining the integrity of the self-governing system, relational integrity, and community dialogue practices. Engages in co-visioning and planning to ensure alignment with community needs and values.
- **Membership:** Essential in maintaining self-governing integrity (also requiring training) and ensuring the broader community voice is considered.
- **CEO:** Serves as a bridge between the Visionary Council, community, and operational teams, facilitating the flow of information and ensuring alignment between strategic vision and day-to-day operations. The CEO is responsible for implementing the organization's mission and strategic goals within the self-governing framework.

2. Holding Company Level

- **Board / Community Council:** Oversees the portfolio of community-owned ventures, ensuring they align with the overall mission and values of the Community Enterprise. This board focuses on strategic resource allocation, risk management, and fostering synergies between various subsidiary ventures.

3. For-Profit Venture Level

- **Boards / Purpose:** Each venture has its own purpose-driven board, responsible for the specific business operations and performance. These boards ensure that individual ventures remain true to their purpose while contributing to the overall community wealth-building objectives of the Community Enterprise.

Distinction from Cooperative Governance

The board structure of the Self-governing Community Enterprise significantly differs from traditional cooperative models by emphasizing dynamic responsiveness, distributed authority, and ongoing evolution of governance practices. By integrating oversight responsibilities with visionary leadership and relational stewardship, the Visionary Council recognizes that sustained success requires financial sustainability, but can not be solely motivated by profit alone. The Visionary Council plays a vital role in maintaining the integrity and effectiveness of the Community Enterprise to achieve holistic community-defined measures of success.

4.6. Integrated Ownership & Investment Structure

The Community Enterprise employs an innovative ownership and investment structure that preserves self-governance principles while enabling rapid scaling of multiple businesses. This approach creates increased value for the entire community by integrating private and community capital with variable returns tailored to each unique scenario.

Key Features of the Ownership Structure:

1. **Preservation of Self-Governance:** The structure and bylaws ensure adherence to self-governing principles throughout the entire organization, upheld through the Visionary Council.
2. **Protection from External Takeover:** Voting control (with consent) remains with the Not-For-Profit (for Hold Co) and Hold Co (for For-Profit Ventures), ensuring that no investor or shareholder can establish voting blocks to overtake the original community purpose.
3. **Investor Flexibility:** The model allows for attracting a mix of diverse investors (both growth-oriented and stability-focused) at the Hold Co and individual venture levels.
4. **Community Participation:** Innovative financing and membership models allow community members and investors to share in the enterprise's economic success while core mission and governance remain safeguarded.

The following table is a general share structure, and will be updated for specific investors and share requirements:

Hold Co Structure	Subsidiary For-Profit Venture Structure
<ol style="list-style-type: none"> 1. Class A Shares (Voting) <ul style="list-style-type: none"> o Owned by: Not-For-Profit Corporation o Purpose: Ensures adherence to self-governance principles o Rights: Voting rights, ensuring distributed authority and consent decision-making 2. Class B Shares (Non-voting with consent) <ul style="list-style-type: none"> o Type: Growth Equity o Purpose: Attracts growth-oriented investors o Rights: Potential for higher returns, limited voting rights (consent required for major decisions) 3. Class C Shares (Non-voting with consent) <ul style="list-style-type: none"> o Type: Preferred Shares o Purpose: Provides stable returns for community and institutional investors o Rights: Fixed dividend payments, limited voting rights (consent required for major decisions) 	<ol style="list-style-type: none"> 1. Class A Shares (Voting) <ul style="list-style-type: none"> o Owned by: Hold Co o Purpose: Alignment with Community Enterprise purpose and adherence to self-governance principles o Rights: Voting rights, ensuring distributed authority and consent decision-making 2. Class B Shares (Non-voting with consent) <ul style="list-style-type: none"> o Type: Growth Equity o Purpose: Attracts venture-specific growth investors o Rights: Potential for higher returns, limited voting rights (consent required for major decisions) 3. Class C Shares (Non-voting with consent) <ul style="list-style-type: none"> o Type: Preferred Shares o Purpose: Provides stable returns for venture-specific community and institutional investors o Rights: Fixed dividend payments, limited voting rights (consent required for major decisions)

Financial Management and Community Benefit:

Dividend payouts and reinvestment of excess profits are determined collaboratively by the Board / Community Council and investor representatives, aligning with the self-governance model. This process ensures transparency and incorporates investor input on key financial decisions while maintaining the community-focused mission. Importantly, excess profits are reinvested into the framework and/or dispersed to other community initiatives, further enhancing the community wealth-building aspect of the model.

This innovative structure achieves a balance between investor interests and community needs. By integrating investor perspectives and returns with community input and co-guidance, it fosters a truly collaborative and sustainable Community Enterprise model.

4.7. Summary: A Holistic Framework For Collective Prosperity

As we've explored throughout this section, Circularity.One's Community Enterprise offers an innovative and comprehensive approach to community economic development. This framework addresses critical gaps in current models while integrating proven strategies for sustainable, equitable growth.

Importantly, the Community Enterprise doesn't operate in isolation. It supports and complements private enterprises, creating a symbiotic ecosystem for sustainable economic development. This approach recognizes the value of diverse economic actors and seeks to create an environment where all can thrive while contributing to collective prosperity.

In summary, the holistic nature of the Community Enterprise allows it to:

- Keep wealth circulating within communities, reducing economic leakage
- Ensure long-term community control over vital assets, preserving local economic foundations
- Align business operations with community needs and values, fostering social cohesion
- Foster deep democratic and inclusive economic structures, empowering all community members

By integrating these elements, the Community Enterprise offers a powerful tool for communities seeking to build resilience, equity, and prosperity in an increasingly complex economic landscape. As we move forward, this framework provides a blueprint for reimagining our economic relationships and co-creating a more sustainable and inclusive future for all.

5. Practical Application: The Parts In Practice

Moving from framework to action, it's crucial to recognize that many components of Circularity.One's Community Enterprise are already being implemented in various forms across British Columbia. This real-world application not only validates our approach but also provides valuable insights into how our comprehensive model can enhance and amplify existing efforts.

In this section, we'll examine several case studies that embody key elements of our framework. Each example offers a unique perspective on community-centric economic models, showcasing innovative approaches to ownership, financing, and governance. By analyzing these cases, we can better understand the practical implications of our ideas and identify areas for potential collaboration and improvement.

Our analysis serves a dual purpose:

1. **Validation:** These cases provide concrete evidence of the viability and effectiveness of core concepts within our model, from hybrid ownership structures to innovative financing mechanisms.
2. **Learning and Partnership Opportunities:** By identifying both strengths and limitations in each example, we lay the groundwork for potential future collaborations to fully develop the Community Enterprise framework, complementing and enhancing existing initiatives.

5.1. Regenerative Capital Group

Regenerative Capital Group (www.regenerativecapitalgroup.com), a BC based venture, embodies a transformative model for community wealth building through entrepreneurship and regenerative leadership. The organization focuses on the acquisition and sustainable transformation of small to medium-sized enterprises (SMEs) in Canada. It does this through:

- Entrepreneurship Through Acquisition - Acquisition and growth of existing businesses is easier than startups!
- Recruits purpose-driven entrepreneurs, providing them with acquisition capital, regenerative leadership training, and the necessary resources to transition acquired companies toward enhanced value creation and positive social impact.

Strengths:

- Lower risk approach through acquisition of established businesses
- Integration of regenerative leadership principles
- Focus on preserving and enhancing local business assets

Limitations:

- Still primarily based on private ownership model
- Governance structure may not fully incorporate community voice
- Potential scalability challenges in larger or more complex markets

Learning and partnership opportunity: The Community Enterprise framework could enhance Regenerative Capital Group's model by integrating broader community governance structures and expanding its scalability, potentially creating a more robust ecosystem for community-driven acquisitions and transformations.

5.2. Just Like Family

Just Like Family (www.justlikefamily.ca) is an innovative community-focused care service provider that offers comprehensive, personalized home care for seniors and individuals with disabilities. The social enterprise was initiated by Broadview United Church. Its unique structure includes:

- A holding company owned by a network of charities
- Arms-length board governance ensuring transparent and accountable management
- A combination of capital from charities, non-profits, private investors, and 'sweat equity' from lead entrepreneurs. Possibility for employee ownership within their structure
- A profit driven company, with an equitable working environment, where profits flow back to the charities and investors.
- Started with the purchase of a single franchise, and then acquired the whole franchise operation (franchisor), and are actively growing / expanding the venture.
- Founders have written a book of their journey: *'Win Win Capitalism: How Social Acquisitions Will Change the Face of Business'*

Strengths:

- Innovative hybrid ownership structure
- Direct reinvestment of profits into community initiatives
- Potential for higher financial returns while maintaining social impact
- Scalable franchise model

Limitations:

- Governance structure does not incorporate community voice
- May not be equipped for growth and management of multiple ventures
- Doesn't fit within traditional economic development support for funding and/or localized network building

Learning and partnership opportunity: Collaborating with Just Like Family could involve implementing the Community Enterprise's self-governance model to incorporate community voice, while leveraging their successful hybrid ownership structure to develop a more comprehensive approach to scaling community-owned ventures.

5.3. Social Acquisition Fund

The newly forming Social Acquisition Fund (www.socialacquisitionfund.com) builds on the success of Just Like Family and the University of Waterloo's [Leadership Legacy Lab](#) for social acquisitions. This

innovative approach aims to create socially beneficial businesses through strategic acquisitions. Key Features:

- Utilizes the established Just Like Family HoldCo and management team
- Lower-risk and higher-reward business model
- Smooth transition between owners to maintain service continuity
- Rapid improvement of both financial and social impact under new ownership
- Focus on generating solid financial returns while preserving people-first businesses
- Creation of ethical and moral career opportunities in under-served communities

Strengths:

- Builds on proven models of social acquisition
- Aggregates capital, including tapping into existing social impact funds
- Aims to transform traditional ownership and governance structures
- Potential for significant social impact alongside financial returns

Limitations:

- Governance structure may not fully incorporate community voice
- Unclear strategy for scalable growth while maintaining transparency and accountability
- Risk of centralized "empire building" without proper checks and balances
- Potential disconnect from traditional economic development channels

Learning and partnership opportunity: The Community Enterprise could partner with the Social Acquisition Fund to integrate more robust community governance mechanisms and develop strategies for maintaining transparency and accountability at scale, while benefiting from their proven approach to aggregating capital for social acquisitions.

5.4. Community Foundation Gifted Real Estate Hold Co

Wealthy business owners are increasingly looking to gifting as a mechanism for estate planning that benefits community as well as immediate family. Across Canada, there are two notable examples with gifting to community foundations, one of \$500M in Winnipeg and also a BC Community Foundation recently received a groundbreaking gift: the owning shares of a real estate holding company with 14 commercial properties valued at \$35M (Foundation to remain anonymous at request of donor). These precedent-setting donations in Canada allows a Community Foundation to directly own significant assets. Key learnings include:

- Substantial legal costs (estimated \$200k-\$400k) associated with the transfer
 - Note: Their foundational work can be utilized for similar initiatives
- Need for arm's-length governance between the Hold Co board and the Community Foundation
- Reporting structure where the HoldCo board reports to the Community Foundation board

- Limited tax benefits for the donor, potentially discouraging similar donations.
 - Note: we met with another Canada charity in 2022 who was able to offer a tax receipt on a donated real estate asset (further research required)

Strengths:

- Enables direct community ownership of significant assets
- Potential for long-term community benefit from real estate holdings
- Sets a precedent for large-scale asset donation to community organizations

Limitations:

- Governance structure does not incorporate community voice
- Community Foundations not equipped to grow a portfolio of businesses
- “One-off” opportunities where community foundations are unsure of how to maximize the long term value of these gifts.

Learning and partnership opportunity: By applying the Community Enterprise framework, we could help Community Foundations develop the capacity to grow and manage diverse business portfolios, while incorporating community voice into governance structures, maximizing the potential of large-scale asset donations for community benefit.

Research Note: Further research to be conducted on the Community Enterprise to determine philanthropic pathways. For example, is it possible for it to achieve Charity Status, and/or, could an existing Community Foundation be a co-owner of the Holding Co.

6. Validation: The Whole Is Larger Than The Sum Of Its Parts

Circularity.One’s Community Enterprise framework stands at the forefront of community economic development, seamlessly integrating key innovations into a cohesive, scalable model. By integrating proven approaches, addressing critical gaps, and fostering deep collaboration, our model offers a unifying framework for deeply democratic community ownership of assets and business, capable of:

- Scaling community ownership models to compete effectively in a global economy while maintaining local control and benefit.
- Providing adaptive governance structures that maintain community control and foster deep democracy at scale.
- Fostering cross-sectoral collaboration of government, private business, social enterprises, and community organizations, with the capacity to aggregate expertise and capital for collective prosperity.

Community Enterprise - Key Features and Innovations:

The Community Enterprise framework addresses this gap, serving as the missing link in community economic development. It creates a platform for government, business, and social sectors to collaborate towards shared community goals.

1. **Innovative Structure:** A federal not-for-profit corporation umbrella owns a holding company, which in turn owns subsidiary for-profit ventures (including Community Energy / Solar). This structure enables community ownership while attracting diverse capital.
2. **Self-Governance:** Employs Sociocracy and Holacracy principles for transparent, decentralized decision-making, fostering deeper democracy and collective intelligence.
3. **Community Lab & Venture Builder Accelerator:** Facilitates deep community collaboration, along with the development and growth of community-owned enterprises.
4. **Exit to Community:** Provides a pathway for existing businesses to transition to democratic community ownership, addressing the upcoming wave of business successions. With 75% of businesses and \$2T in assets transitioning hands over the next decade, this represents a prime opportunity for scaled Community Wealth Building.

As we've explored in the preceding sections, the Community Enterprise model represents a paradigm shift in community economic development. The following summarizes how Community Enterprise validation has confirmed that this framework offers a holistic, scalable solution for building community wealth and well-being.

Alignment with Key Economic Initiatives

The Community Enterprise model aligns closely with and enhances several key economic initiatives and principles:

1. **StrongerBC Economic Plan:**
 - Fosters inclusive growth through community ownership and participation
 - Provides a practical model for the 'entrepreneurial state' to shape markets for sustainable and inclusive outcomes
 - Aligns with Mazzucato's mission-oriented approach, facilitating cross-sectoral coordination, adaptive governance, and tapping collective community intelligence
 - Promotes environmentally and socially responsible business practices, advancing clean growth objectives
2. **Community Wealth Building:**
 - Offers a scalable structure that can compete in a globalized economy while maintaining community control
 - Provides unique flexibility and stakeholder integration with economies of scale
 - Transcends singular focus on financial metrics, encompassing broader community success indicators
3. **Economic Reconciliation:**
 - Reimagines economic structures to fundamentally redesign how we relate, make decisions, and create economic value in alignment with Indigenous principles
 - Embeds collaborative decision-making through self-governance, reflecting the principles of En'owkin
 - Prioritizes long-term community well-being and intergenerational thinking over short-term profits

Integration of Proven Approaches

The case studies in Section 5 'Practical Application: The Parts in Practice' demonstrate the effectiveness of individual components of our model:

1. Regenerative Capital Group validates our Entrepreneurship Through Acquisition approach.
2. Just Like Family showcases the power of hybrid ownership structures.
3. The Social Acquisition Fund proves the viability of aggregating capital for community benefit.
4. The Community Foundation's real estate gift exemplifies the potential for large-scale asset transfer to communities.

Alignment with UN Sustainable Development Goals

Additionally, the Community Enterprise, by taking a holistic approach, advances several of the United Nations Sustainable Development Goals (SDGs), demonstrating its potential for wide-reaching, positive impact:



This report has established the feasibility and community benefits of expanding adoption of Community Enterprise as a new model to transform business and drive community-minded economic development. However, the Community Enterprise framework as an integrated approach is relatively unknown and will need champions to achieve greater awareness of its potential, and skill-building to support people to transform their current beliefs and models for organizational governance. The power of community is essential to achieve this transformation.

Additionally, the Community Enterprise model supports and aligns to the 7 Cooperative Principles¹⁴ and Ostrom's 8 design principles for governing a Commons¹⁵.

¹⁴ International Cooperative Alliance, 2024: <https://ica.coop/en/cooperatives/cooperative-identity>

¹⁵ Earthbound Report - Elinor Ostrom's 8 rules for managing the commons: <https://earthbound.report/2018/01/15/elinor-ostroms-8-rules-for-managing-the-commons/>

7. Co-Creating Our Collective Prosperity

7.1. Invitation to Collaborative Action

Bringing the Community Enterprise to life will only succeed with community commitment and collaboration. By combining Exit to Community strategies with Community Entrepreneurship within our innovative framework, we're creating a powerful engine for community wealth building. This approach doesn't just preserve existing businesses; it transforms them into vehicles for community benefit, aligning profit with purpose and ensuring economic value remains and grows within our community.

Key Partnerships for Success:

- **Central Okanagan Economic Development Commission (COEDC):** The COEDC is crucial for developing innovative community economic development approaches. Their networks and partnerships with Accelerate Okanagan and local municipalities will help catalyze broader community action and awareness, supporting the realization of the Community Enterprise.
- **First Nations:** We invite local Syilx/Okanagan Nations to co-create and co-own this Community Enterprise. Their participation is essential in integrating Indigenous principles into our governance and wealth-building practices, ensuring our framework honors traditional wisdom while addressing contemporary challenges.

7.2. Alignment with ETSI-BC

The Community Enterprise model aligns closely with the goals of the StrongerBC Economic Plan and its vision of "building an economy that works for everyone." This alignment is further reinforced by ETSI-BC's recent \$10 million funding addition in support of the StrongerBC Economic Plan, underscoring the timeliness and relevance of the Community Enterprise model in addressing current economic challenges and opportunities.

ETSI-BC's focus on enhancing economic sustainability, diversity, and growth in the Southern Interior of British Columbia resonates strongly with our framework's objectives. By leveraging ETSI-BC's funding and aligning with their strategic priorities, the Community Enterprise can accelerate its implementation and amplify its impact across the Okanagan region.

7.3. Funding Community Acquisitions: Scaling Community Resilience

The success of initiatives like Just Like Family, Regenerative Capital Group, and the Social Acquisition Fund has not only validated the community acquisition approach but also demonstrated effective strategies for sourcing capital. These models have paved the way for us to scale this approach for broader community benefit. By acquiring existing businesses and transforming them into

community-owned enterprises, we can establish the foundation for scaled and resilient community systems across vital sectors such as food, housing, transportation, and more.

Building on these proven models, we can now expand our funding strategy to support larger-scale community acquisitions and development. Our approach to funding the Community Enterprise development and acquisition of ventures taps into a diverse array of capital sources, pooling resources across private, social, philanthropic, and government sectors:

1. **Community Investment:** Following the success of models like the Social Acquisition Fund, we can create investment vehicles allowing community members to directly invest in local business acquisitions. This approach not only raises capital but also deepens community engagement and ownership.
2. **Institutional Investment:** We can leverage various institutional funding sources, including:
 - InBC's \$500M Fund
 - Economic Trusts
 - Community Foundations
 - Charities and Nonprofits
 - Government Investments (Municipal, Provincial, Federal)
3. **Traditional Financing:** We can partner with community-focused banks and credit unions to secure debt financing for acquisitions, ensuring favorable terms that align with our community wealth-building goals.
4. **Impact Investors:** Our model's focus on social and environmental impact positions us to attract capital from impact-focused funds and individuals seeking both financial returns and positive community outcomes.
5. **Government Grants and Programs:** We can tap into various government initiatives that support community economic development and business succession, maximizing public resources for community benefit.
6. **Philanthropic Pathways:** We can develop innovative channels for gifting assets (money, businesses, land, etc.) directly into community ownership and control. This approach creates a direct route for donors to support resilient community economic development, ensuring their contributions have a lasting, structural impact on community wealth and well-being.

"What we need now is a radically new approach to investing with the explicit aim of systems transformation... one that deploys capital with a broader intent and mindset; that is anchored in different methodologies, structures, capabilities, and decision-making frameworks; and that moves away from a project-by-project mentality.¹⁶"

~ Design Foundations for Systems Capital ~

¹⁶ Design Foundations for Systems Capital, Griffith University, 2022:
https://www.griffith.edu.au/data/assets/pdf_file/0020/1605431/DesignFoundations_SystemsCapital.pdf

8. Roadmap & Next Steps For Community Enterprise

To maximize the impact of the Community Enterprise, we call on ETSI-BC, partners, and stakeholders to join us in this pivotal moment. With your support, we can take immediate, iterative action in four key areas:

1. Expand community awareness, partnerships, and funding relationships
 - a. Collaborate with civic innovators and impact investors
 - b. Engage other key stakeholders: ETSI-BC, COEDC, Community Futures, Municipalities, Accelerate Okanagan, Community and Private Foundations, Investment groups, etc
2. Establish business acquisition pipeline
 - a. Work with partners to identify and assess viable businesses
 - b. Develop a diverse portfolio and build strategic relationships
3. Implement Community Enterprise Corporate Framework
 - a. Finalize the corporate framework, including updating bylaws and governance structures in collaboration with First Nations
 - b. Further research and integrate philanthropic pathways for gifting assets into direct community ownership and control
 - c. Gain necessary licensing and certifications to offer coaching, implementation support and training in circular operating systems such as Holacracy and Sociocracy
 - d. Develop localized training programs and incubation strategies

Next Steps

We invite you to join us in co-creating this transformative model for community wealth and well-being. Our team is prepared to engage in deeper discussions about partnerships, funding, and concrete next steps. We recognize that this is an emergent journey, and both the Community Enterprise framework and roadmap to success will evolve through community collaboration.

9. Conclusion - Community Enterprise

Circularity.One's Community Enterprise framework represents a transformative approach to economic development and community resiliency. This feasibility study has validated the innovative Community Enterprise framework as a powerful vehicle for collective prosperity. It addresses critical gaps in community ownership, wealth-building, and sustainability. With imminent business successions and growing economic disparities, this integrated model provides a timely pathway to resilient, equitable communities.

Together, we have the opportunity to reshape our economic landscape, creating a more inclusive, sustainable, and prosperous future for all. The success of this initiative hinges on collaboration and commitment from key stakeholders across sectors. **By fully developing the potential of the Community Enterprise, we can establish a groundbreaking pilot in the Okanagan - one that could serve as a model for Canada and potentially inspire similar initiatives worldwide.**

10. Appendix A - Community Enterprise Framework

10.1. Community in Practice

Welcome to the heart of our Community Enterprise! This section is all about how we bring our ideals to life, day in and day out. It's not just theory – it's the nitty-gritty of how we work, grow, and celebrate together while generating community wealth and well-being.

Holistic Community: More Than Just a Buzzword

In our world, community isn't just about sharing a space or a goal. It's about being mindful of people, their interactions, and the relationships that form between them. We've created supportive systems and structures (like our Self-Governance model, which we'll explore more in the next section) to ensure that every decision we make considers each other as equals and creates opportunities to interact with each other's essence.

In practice, our community thrives on collaboration, creativity, and connection. We work on projects together, sharing ideas and learning from one another. Your wildest thoughts aren't just welcomed; they're celebrated. We're all teachers and students here, constantly growing and evolving. And let's not forget the fun – we believe in celebrating our successes and milestones together, because who says work can't involve a bit of partying?

Integrating Community and Business

Our Community Enterprise goes beyond traditional business models by building a local economy where the benefits flow back into our community, creating a cycle of shared prosperity. We harness the power of entrepreneurship, diving into the nitty-gritty of business – finance, operations, strategy – but with a community-focused twist.

We're not just creating businesses; we're building a resilient economic ecosystem that supports everyone. This means embracing the complexities of finance and developing innovative funding models. It means optimizing operations not just for efficiency, but for community impact. And it means crafting strategies that balance profit with purpose, ensuring that our economic activities enrich our community in multiple ways.

Circle: Our Core Philosophy and Practice

At the heart of our community practice is the circle. This isn't just a seating arrangement – it's a profound philosophy that has been with us since the dawn of humanity. Picture our ancestors gathered around a fire, sharing stories, making decisions, and solving problems together.

In a circle, we're all equal. There's no head of the table, no back row. It's a space where we can share authentically and listen fully, respecting the wisdom that each person brings. Whether we're making decisions, solving problems, or simply connecting, the circle provides a container for our collective intelligence to emerge.

This practice ties directly into our Self-Governance model. In circle, everyone has a voice, and decisions are made through consent rather than top-down authority. It's democracy at its deepest.

Embracing Tension and Discomfort

Now, let's talk about something that might seem counterintuitive: tension and discomfort. In our community, we don't just tolerate these feelings – we embrace them as catalysts for growth.

Think of trust as a muscle. Just like in the gym, it takes tension to build strength and health. This tension is at the core of our holistic community. It's in those moments of stretch and strain that we often find our greatest opportunities for personal and collective growth.

The Generative Nature of Conflict

Conflict, when approached with openness and respect, can be incredibly generative. It's often the birthplace of new ideas, deeper understanding, and stronger relationships. Here's how we navigate it:

- **Direct Communication:** Always start by talking directly with the person involved. Open, honest dialogue can resolve most issues.
- **Seek Support:** If direct communication doesn't work, bring in a trusted third party to mediate and provide a fresh perspective.
- **Community Circle:** For more complex issues, we can call a larger circle or use restorative justice practices. These approaches involve the wider community in finding solutions that work for everyone.

Remember, the goal isn't to avoid conflict, but to use it as a tool for growth and deeper connection.

Our Community Guidelines

To help us navigate this journey together, here are some guidelines we live by:

- Take care of yourself, each other, and this place.
- Be kind to yourself and others.
- Create opportunities to collaborate and invite others to join in.
- Treat our shared spaces as if they're your home (or better).
- Encourage others in their endeavors.
- Respect each other's privacy.
- Treat others with the professionalism, warmth, and respect you'd like to receive.

Our Ambition

Our ultimate goal? To make our community a better place to make a living doing what we love. We're creating space for trusting, lasting relationships to form between people before they even need to work together. Through our Community Enterprise model, we're not just building businesses – we're building a more equitable, sustainable, and vibrant community for all.

So, whether you're here to work, create, learn, or just be, remember: this community is yours. Your voice, your ideas, your quirks – they're all welcome here. Let's see what amazing things we can create together as we build community wealth and well-being!

10.2. Corporate Framework

10.2.1. Federal Not-For-Profit Corporation Act:

The Federal Not-For-Profit Corporation forms the backbone of the Community Enterprise, owning the Hold Co and its for-profit subsidiaries. This structure enables a comprehensive approach to community wealth building by integrating various sectors and ensuring alignment with community goals.

The Community Enterprise leverages key aspects of the Federal Not-For-Profit Corporation Act to create a unique organizational structure:

- **Non-Equity Holding Members:** This ensures the organization remains mission-driven with an integrated approach to profit and community well-being. By removing the concept of equity ownership, we can focus on our core purpose without the distractions of individual financial gain.
- **'Download' Power:** The Act allows the board to download authority within the organization, empowering various roles to make autonomous decisions. This aligns with our self-governance principles and enables responsive, localized decision-making.

10.2.1.1. Board / Visionary Council

Governance Approach:

The Community Enterprise Board / Visionary Council represents a paradigm shift from conventional governance structures. Unlike traditional status quo governance based on hierarchical structures of power and majority rule with Robert's Rules, our approach operates on Self-governing principles of distributed power and consent decision-making.

The Board / Visionary Council is a cornerstone of our governance model, reimagining traditional corporate leadership. It represents a paradigm shift from conventional governance structures, embodying the principles of distributed power and collective wisdom.

By reimagining corporate governance through the lens of community needs and participatory decision-making, the Board / Visionary Council serves as a vital link between the Community Enterprise's operations and its broader community purpose of generating community wealth and well-being.

Innovation:

The Community Enterprise utilizes Sociocratic bylaws as a proven governance and organizational model, to distribute authority and responsibility, while ensuring transparency with consent based decision-making for organizational evolution.

Role and Composition:

- An experienced group providing advice, collective intelligence, and reflective capacity
- Responsible for maintaining oversight of the Community Enterprise
- Members have developed proficiency in technical and/or business skills, along with a demonstrated history of self-governance and wholeness practices
- Democratically elected by the community, ensuring representation and accountability

Dual Function:

1. As a Corporate Board:

- Maintains minimal viable legal, financial, and regulatory compliance duties while Ensuring financial sustainability and ethical operations
 - i. For reference see: [Minimum Viable Board Discuss Paper](#)

2. As a Visionary Council:

- Ensures self-governance and relational practices are maintained throughout the Community Enterprise
- Maintains integrity of Community Wealth Building principles
- Facilitates and ensures ongoing community engagement and participation, while having the emotional and relational maturity to hold the tensions of differing perspectives.
- Works with Community Enterprise leadership and community to co-create participatory long-term vision
- Balancing economic, social, and environmental considerations in decision-making
- Ensures the overall system generates individual and community well-being

10.2.1.2. Membership

The Community Enterprise features two types of membership: Voting Members and General Community Patrons. Each type offers distinct levels of engagement and responsibilities, which are elaborated upon in the subsections below.

This two-tiered membership structure ensures that the Community Enterprise remains deeply connected to its community while maintaining an effective governance structure. It provides multiple ways for community members to engage, contribute, and benefit from the organization's activities.

10.2.1.2.1. Voting Members - Integrity

Voting members form the core of the Community Enterprise's decision-making body and play a crucial role in maintaining the organization's integrity and alignment with its purpose.

Membership Class:

- Class A (Voting with Consent): Includes Visionary Council, Community Council, CEOs, and Key / Active Community Members

Responsibilities:

- Participate in major decisions affecting the organization's direction
- Ensure transparency and efficiency in decision-making processes
- Uphold the principles of self-governance and community wealth building
- Act as stewards of the Community Enterprise's mission and values

Requirements for Voting Members:

- Completion of training in Self-governance principles and practices
- Ongoing active participation in community activities and circles
- Regular involvement in a Venture within the Community Enterprise or significant contribution to community initiatives
- Demonstrated commitment to the organization's values and mission

10.2.1.2.2. General Community Patrons

General Community Patrons represent the broader community engaged with and supported by the Community Enterprise. While they don't have direct voting rights, their input and participation are vital to the organization's success and community impact.

Role and Engagement:

- Participate in community events, workshops, and initiatives
- Provide feedback and insights through surveys, forums, and community meetings
- Access Community Enterprise resources, services, and spaces (e.g., coLab)
- Opportunity to propose ideas for community projects or ventures

Benefits:

- Regular updates on Community Enterprise activities and impact
- Invitations to special events and community gatherings
- Potential pathways to become voting members through increased engagement
- Access to educational resources on community wealth building and self-governance

Responsibilities:

- Adhere to community guidelines and values
- Contribute to the community's well-being through participation and collaboration

- Act as ambassadors for the Community Enterprise within the broader community

10.2.1.3. CEO Leadership

The overarching Not-For-Profit CEO is not just a leader but a facilitator of collective intelligence and community-driven evolution. This role requires a unique blend of business acumen, emotional intelligence, and a deep commitment to collaborative, purpose-driven organizational development.

The CEO works alongside all of the groups to ensure that the collaborative and self-governing infrastructure operates smoothly. To denote this difference, we've revised the typical top-down power holding role from Chief Executive Officer, to a **Creative Ecosystem Opticist**, denoting broad insight and experience.

Key Aspects of the Role:

- Acts as a facilitator and catalyst rather than a top-down authority figure
- Balances strategic vision with day-to-day operational guidance
- Embodies and champions the principles of self-governance and community wealth building

Core Responsibilities:

1. Facilitation of Emergent Practices:

- Guide the organization's self-organizing processes
- Foster a culture of innovation and continuous improvement
- Encourage and support the emergence of new ideas and initiatives from all levels of the organization

2. Relationship Cultivation:

- Build and maintain trusting relationships across the organization and with external stakeholders
- Act as a bridge between different circles and councils within the Community Enterprise
- Represent the organization in community and industry forums

3. Purpose Stewardship:

- Ensure alignment of all activities with the organization's overall purpose and values
- Guide strategic planning processes that involve broad community input
- Adapt organizational direction in response to changing community needs and opportunities

4. Capacity Building:

- Identify and nurture leadership potential throughout the organization
- Ensure ongoing training and development in self-governance and community wealth building principles
- Foster a learning organization culture that embraces feedback and continuous improvement

5. Accountability and Transparency:

- Oversee the development and implementation of clear metrics for organizational impact and success
- Ensure regular, transparent communication of outcomes and challenges to all stakeholders
- Participate in and be subject to the organization's consent-based decision-making processes

10.2.2. Holding Co - Community Economy in Action!

10.2.2.1. Board / Community Council

The Holding Co Board, reimagined as the Community Council, embodies the principles of Self-governance within our holistic Community Enterprise framework. This innovative approach represents a significant departure from traditional corporate governance models.

Paradigm Shift: Our Community Council moves away from the conventional model where shareholders and Boards of Directors wield power to direct and control operations, often prioritizing shareholder wealth over community well-being. Instead, we've created a balanced ownership / investor structure that integrates investor voice and returns with community input and co-guidance.

Composition and Election: The Community Council consists of:

- Community members
- Partners
- Venture CEOs

Dual Function:

1. As a Traditional Board:
 - Maintains minimal viable legal, financial, and regulatory compliance duties while Ensuring financial sustainability and ethical operations
 - i. For reference see: [Minimum Viable Board Discuss Paper](#)
2. As a Community Council:
 - Oversight and long-term planning of ventures aligned with Community Wealth Building Principles
 - Nurturing a culture of continuous learning and adaptation
 - Balancing economic, social, and environmental considerations in decision-making
 - Facilitating reporting and sharing of learnings across ventures and throughout the Community Enterprise. These are vital for community transparency and alignment.
 - Resourcing projects that align with community goals
 - Engaging with investors and funders to ensure alignment of financial and community interests
 - Engages in collaborative decision-making

10.2.3. Subsidiaries - Community Ventures

The Community Ventures, as subsidiaries of the Hold Co, follow a similar pattern of governance and leadership as seen in the overarching Not-For-Profit and Hold Co structures. This repeated pattern ensures consistency in self-governance principles throughout the entire Community Enterprise.

10.2.3.1. Board / Purpose Circle

Mirroring the Board / Visionary Council of the Not-For-Profit and the Board / Community Council of the Hold Co, each Community Venture has a Board / Purpose Circle.

The Venture Board / Purpose Circle serves two primary functions:

1. As a Traditional Board:
 - Maintains minimal viable legal, financial, and regulatory compliance duties while Ensuring financial sustainability and ethical operations
 - i. For reference see: [Minimum Viable Board Discuss Paper](#)
2. As a Purpose Circle:
 - Oversight and long-term planning of venture's purpose aligned with Community Wealth Building Principles
 - Nurturing a culture of continuous learning and adaptation
 - Balancing economic, social, and environmental considerations in decision-making
 - Facilitating reporting and sharing of learnings across ventures and throughout the Community Enterprise. These are vital for community transparency and alignment.
 - Resourcing projects that align with community goals
 - Engaging with investors and funders to ensure alignment of financial and community interests
 - Engages in collaborative decision-making

10.2.3.2. Stakeholders Circle

The Board / Purpose Circle works closely with an external Stakeholders Circle that includes financial investors and other key stakeholders. This structure acknowledges their vital role while redefining their position in the organization:

- **Advisory Capacity:** The Stakeholders Circle serves as a wellspring of wisdom and experience, offering valuable insights that inform the venture's strategic direction and operations. Their expertise helps navigate complex business landscapes while keeping community interests at the forefront.
- **Integrated Voice:** Stakeholder perspectives are integrated into decision-making processes through consent-based governance, ensuring a holistic approach to venture management.

- **Balanced Influence:** This structure carefully calibrates the consideration of financial interests alongside community and mission-driven goals, fostering a harmonious blend of profitability and social impact.

10.2.3.3. Venture CEO Leadership

The Venture CEO holds overall responsibility for the well-being of the venture. This leadership approach combines traditional business acumen with the innovative principles of the Community Enterprise, creating a dynamic and responsive venture management style.

Key aspects of this role include:

- Possessing entrepreneurial and business experience, complemented by training in Self-Governance principles
- Focusing on fostering emergent potential within the venture and its team
- Developing interconnected relationships based on trust and transparency
- Ensuring alignment with the broader goals of the Hold Co and the overarching Community Enterprise
- Balancing day-to-day operations with long-term strategic vision
- Cultivating a culture that embodies the principles of the Community Enterprise within the specific context of the venture

10.3. Self-Governing Democracy Elections

The integrity of the Community Enterprise is maintained through its leadership, particularly the Not-For-Profit Board of Directors / Visionary Council. The election process for these roles is crucial to the long-term success of the Community Enterprise, both locally and globally.

Our approach to Self-governing elections differs significantly from both traditional majority-vote democracy and typical candidacy processes:

1. **Consent vs. Majority Rule:** Unlike traditional democratic voting where the majority decides, the Community Enterprise uses consent-based decision-making. This means that decisions, including elections, are made when there are no paramount objections, ensuring that all voices are heard and considered.
2. **Collaborative Candidacy:** Instead of individuals campaigning for positions, the Community Enterprise employs a collaborative nomination and vetting process. This approach focuses on finding candidates who align with the organization's values and have the skills to serve the community, rather than those who are most adept at self-promotion.
3. **Continuous Feedback:** The election process is not a one-time event but part of an ongoing dialogue between leadership and the community. Regular performance reviews and feedback mechanisms ensure that leaders remain accountable and responsive to community needs.

4. **Holistic Evaluation:** Candidates are assessed not just on their professional qualifications, but also on their understanding of self-governance principles, their ability to navigate complex relational dynamics, and their commitment to community wealth building.

Through our research, we recognize there can be unforeseen challenges with any election and voting process no matter how well intentioned. We recommend further research and development in this area.

10.3.1. The Election Process

Our election process for key roles (such as Visionary Council members, CEO, and Community Council members) follows these general steps:

1. **Open Call:** We begin with an open call for nominations, including self-nominations.
2. **Vetting:** Candidates undergo a transparent vetting process, which includes:
 - Assessment of relevant skills and experience
 - Evaluation of understanding and practice of self-governance principles
 - Community input and feedback
3. **Community Engagement:** Candidates participate in community forums and Q&A sessions, presenting their visions and ideas.
4. **Collaborative Proposal:** For certain roles, current leadership collaboratively proposes candidates, ensuring a balance between fresh perspectives and organizational continuity.
5. **Consent-Based Selection:** Using our consent decision-making process, we work towards a selection that has no paramount objections from the relevant circle.
6. **Onboarding and Development:** Elected individuals undergo comprehensive onboarding, including training in self-governance principles and organizational practices.

Key Features

- **Flexible Terms:** Some roles may have fixed terms with the possibility of re-election, while others may serve as long as they effectively fulfill their role.
- **Regular Review:** All leadership positions undergo regular performance reviews and community feedback processes.
- **Ongoing Learning:** Leaders are expected to participate in continuous learning and development to enhance their capabilities.
- **Diverse Representation:** We strive for diversity in our leadership across gender, race, and professional backgrounds.

This system ensures that key leadership roles are filled through a process that is transparent, inclusive, and aligned with the organization's core principles of distributed power and collective wisdom.

10.3.2. Applications for Key Roles

To support this process, we use a preliminary application that helps identify individuals who embody the values and vision of the Community Enterprise.

The application process is designed to identify individuals who not only possess the necessary skills and experience but also embody the values and vision of the Community Enterprise. It seeks to uncover each applicant's potential contribution to community wealth and well-being, their understanding of self-governance principles, and their capacity for relational leadership.

PRELIMINARY APPLICATION:

1. What is your vision of possibility for the Community Enterprise, the Okanagan, Canada, and the planet as a whole? (500 to 1,000 words)
2. What are 3-5 unique skills, gifts, and expertise that you've developed, and how do they add value to the OCS Community Enterprise? (500 to 1,000 words)
3. What are your top 3-5 contributions to community wealth, and/or, wellbeing; and why would the community trust you in the role you are applying for? (500 to 1,000 words)
4. Please describe your relational capacities, what that means to you, and how you will uphold, and/or, foster wholeness of the Community Enterprise? (500 to 1,000 words)

On a scale of 0 to 10 (with 0 being none & 10 being the highest), please rate your experience with the following:

- Overall business / organizational (0-10):
 - Finance (0-10):
 - Operations (0-10):
 - Self-governing Boards (0-10):
- Overall relational / group wholeness (0-10):
 - Council / circle (0-10):
 - Restorative Justice (0-10):
 - Community Conversations / Dialogue (0-10):

If you are low in certain areas that is ok, the Community Enterprise aims to have key members who are diverse, both as gender and race, as well as skill sets and perspectives. If your experience with self-governance and wholeness practices is low, it is expected you will develop their capacities through self-study, and/or, direct training. A development plan will be created with you and existing members of the Board / Visionary Council.

10.3.3. Suggested Study Resources

Self-Governance

Holacracy

- ❖ Holacracy One ([Website](#))
- ❖ Holacracy: The New Management System for a Rapidly Changing World ([Book](#))
- ❖ Holacracy Constitutions ([V4.1 PDF](#)) & ([V5.0 Website Link](#))

Sociocracy

- ❖ Sociocracy for All ([Website](#))
- ❖ Many Voices One Song ([Book](#))
- ❖ Who Decides Who Decides ([Book](#))
- ❖ Sample not-for-profit bylaws ([PDF](#))
- ❖ Sample for-profit investor bylaws ([PDF](#))

Holistic Organizations: Reinventing Organizations

- ❖ ([Website](#))
- ❖ ([Full Book](#)) - Downloadable & “pay what feels right”
- ❖ ([Illustrated Version](#)) - Downloadable & “pay what feels right”

Okanagan Syilx

- ❖ En’owkin: What it means to a sustainable community ([Article](#))
- ❖ Jeannette Armstrong - Human Relationship as Land Ethic ([Video](#))

Circle Practice:

- ❖ The Circle Way ([Website](#)) & ([Book](#))
- ❖ The Way of Council ([Book](#))
- ❖ World Café ([Web](#))

11. Appendix B - Legal Structuring Memo

[Not included]