

12.0 Case Studies

Every Aspect Management: ASPECT – Victoria BC Event Management with a Social Purpose

This case study was developed by [Earning Capacity](#). It is an example of an SE created by enhancing an organization's existing assets which is the focus of this project. Other examples include: [The Learning Enrichment Foundation – GTA \(Toronto\)](#) and [WoodGreen Community Services – GTA \(Toronto\)](#).

Executive Summary

ASPECT is a non-profit association of community-based trainers that collectively strive to prepare people for the world of work. Incorporated in 1989, it has 175 member organizations, employing over 3000 people in over 100 communities in BC. The association's annual budget is about three quarters of a million dollars. In 2010, ASPECT incorporated a separate, for-profit business in order to support its non-profit activities. The primary market offering of this new organization was and remains event management. The brand, "Every Aspect Management" (EAM) is promoted to the public: the official name of the for-profit corporation is Aspect Social Ventures Corp. This corporation is linked to ASPECT largely through its Board of Directors and clear commitment to generating revenue for its parent organization.



Following the financial crisis, with business harder to find, EAM has been placed more or less on the 'back burner'. It currently has 4 staff and 12 core volunteers, but remains essentially a low-maintenance vehicle for service contracts to support ASPECT on an as-needed basis. EAM now relies on a few core repeat customers to support its operations and leverages the expertise of key contractors that are brought in to projects as required. Despite its somewhat shaky start, EAM is positioned for more slow and incremental growth.

Community Background

ASPECT states that the community-based employment training sector continues the historic mission of providing holistic, collaborative and non-institutional career development opportunities and employment preparation for people who are unemployed and who experience barriers to employment. Communitybased trainers provide a variety of employment training programs and services to the unemployed including people with disabilities, new immigrants, youth, women and more.

Development History

Before the creation of its for-profit arm, ASPECT was dependent on a single source of income – government employment contracts. EAM representatives thus frame its creation as arising from necessity. Upon the identification of in-house expertise in the events management industry, ASPECT transferred 2 of their key staff to the social enterprise and hired 1-2 others for support. A Business Plan was created, and some seed funding was used to create and initiate operations at EAM.

With the economic downturn of 2010-2011, the business very rapidly was not able to sustain itself and our non-profit could not afford to keep supporting it financially. The business is now largely defunct, though the corporation remains in place for other profit generating ventures that may arise, and works on a contract by contract basis using their small team of contractors.

Organizational Structure

Initially envisioned as a business used to diversify the funding mix of ASPECT, EAM now operates essentially without any core assets or clear organizational structure. It relies on several contractors to service the needs of clients, and the Board of Directors to ensure good corporate governance and accountability to the parent organization.

The former CEO of EAM still contracts out to us. If there is an opportunity for an event management job she often writes a proposal and then manages it. ASPECT acts as a liaison. They refer members to the former CEO if someone calls looking for an event manager and they receive 10% of profit. Sometimes they send our own staff to help out.



Partnerships

ASPECT has affiliations across Canada. Some of those organizations gave them sales leads for work managing national conferences. EAM describes its primary customers as non-profit associations, provincial government ministries and national associations committed to supporting social enterprise efforts. Many of their customers are other non-profits who prefer to support non-profits.

Finances

As a separate incorporated business, EAM acts as a vehicle to allow ASPECT to compete for fee for service contracts in any number of fields. After staff and contractors are paid, and expenses met, profit is directed back to ASPECT.

Outcomes and Impacts

As a for-profit business that provides unrestricted revenues to ASPECT, the social impacts and outcomes of EAM are essentially limited to supporting the work of its parent organization.

Challenges

The transfer of staff and the incumbent liabilities of being an employer to a new corporate entity created significant risk for the new venture – risk that was ultimately absorbed by the parent organization, and that led to the effective dismantling of the new venture except as a limited vehicle for contract work. Before the founding of EAM, ASPECT had reached a point where they may have had to downsize. Instead of downsizing staff they rationalized that they could save their positions/jobs by transferring 3



people to the new SE. However this created a severance liability and resulted in accumulated holidays. The transferred staff carried over their holiday entitlement and started at a higher salary. So they were *not* starting at a new job. Rather they were starting as a transfer employee. These expenses hampered the manager. The benefit plan was expensive, wages were significant. Two years later, when they started to shut down the SE, some staff were entitled to more severance than if they had been released 2 years earlier, rather than transferred. EAM quickly found that the business was unable to keep up with the expenses and eventually staff were terminated.

Lessons Learned

EAM representatives caution against the transfer of liabilities or expenses to a new enterprise. In its current 'contractor' model, the liabilities and overhead associated with the venture are significantly more limited.

In hindsight ASPECT might have transferred the manager and retained the managerial expertise to reduce the heavy a payroll burden for the new organization. Others could have been brought on as new staff not transferred from ASPECT as they would have been made redundant anyways. This would not have been a problem if the SE had been a for-profit starting from scratch.

SEs can bear the burden of trying to generate revenue to support another organization or group and this can lead to guilt and expectations not always associated with the start up of a new business. Initiating an effective SE is not as easy as it looks.

Vision for the Future

Following its change in staffing model, EAM is committed to growth that is incremental and slow.

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