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# The University as a Site of Place-Based Entrepreneurship: The Case of the Green Campus Co-operative

**Darryl Reed**

In recent years, universities in Canada have been increasingly tasked with promoting entrepreneurship. There are three primary ways in which they have taken up this mandate. The initial impetus, going back some decades, focused on active participation by university researchers, often in collaboration with existing businesses, in developing new products and start-ups. These initiatives, drawing on government-supported research findings, were often seen as a basis for promoting regional economic development (Menzies, 2000). A second concern has involved the teaching of entrepreneurship, while a third approach has focused on supporting students and recent graduates to develop their own new start-ups (Sá et al., 2014). This paper examines the potential of the university to promote entrepreneurship in a rather different manner. Specifically, it examines the university as a site or “place” of social entrepreneurship, where the university community both provides the entrepreneurial talent and is also the primary beneficiary of the entrepreneurial activity. It investigates this prospect through the examination of a particular case, one which involves collective entrepreneurship and a co-operative business model.

## Place-Based Entrepreneurship

Place-based entrepreneurship (PBE) is a specific form of entrepreneurship which differs in its intentions and opportunities from conventional entrepreneurship. Like all forms of entrepreneurship, it entails innovation and risk in the development of new or fledgling enterprises. While it may be embodied in different organisational or legal forms, it is distinguished by having a social mission and acting on opportunities that are determined by the constraints and resources of a given place or community.

In Canada, PBE has been most closely associated with “depleted communities” (Johnstone & Lionais, 2004). This term typically refers to non-metropolitan areas exhibiting two basic features. On the one hand, they have a declining, resource-based economy that can no longer provide the same economic opportunities for new generations, while on the other hand, they have a strong sense of community and a desire to create employment and revitalise the economy. As governments are increasingly unable or unwilling to provide incentives to outside investors, conventional entrepreneurship based predominantly upon the profit motive has become less and less viable in these communities. In depleted communities, however, place-based social entrepreneurs can provide an alternative. Familiar with the community and motivated to promote local socio-economic development over profits, social entrepreneurs pursue a different approach to business which is based upon trust and the involvement of community members.

These entrepreneurs can be effective if they are able to fulfil three conditions. First, they must be able to generate a compelling vision of how an alternative approach to business can effectively solve a situation of concern to key stakeholders. Second, the entrepreneurs must have local knowledge of the business context and of potentially available local resources (social, cultural, and economic), which would typically not be available to conventional business competitors. This local knowledge provides the basis of a strategy, which would typically find expression in the form of a business plan. Third, in order to implement the strategy, the entrepreneurs must have the ability to effectively mobilise the available local resources, including skills, expertise, capital, networks, consumer loyalty. Their ability to leverage such resources is dependent upon a mixture of the entrepreneurs’ own knowledge, soft and hard skills, charisma, reputation, and history within the community. To the extent that these three

conditions can be met, then place-based social entrepreneurs can fulfill their function to create opportunities that would not otherwise happen (Johnstone, 2019).

## **The University and Place-Based Entrepreneurship**

While PBE is most commonly associated with economic development in rural and non-metropolitan areas, it can potentially be practised in other places such as inner cities and, arguably, even institutions of higher education. Historically, universities have been significant contributors to social movements promoting rural development. In particular, university extension programmes have been prominent actors in supporting local and regional co-operatives and co-operative movements. Universities have themselves also been the site of social entrepreneurial initiatives, most notably perhaps in the form of student co-operatives. Neither of these types of movements, however, necessarily constitutes the university as a site of PBE. For universities to operate as sites of PBE, two conditions must hold. They must be communities and they must have needs that are not effectively being met by conventional (business) arrangements.

In such a community, there are academic needs (e.g., the opportunity to participate in the various knowledge functions noted above) as well as more conventional consumer needs (e.g., for food, housing, materials, etc.). At universities, the commitment to the critical knowledge tasks and inclusion generates a need for learning opportunities (including experiential education and research opportunities) which enable faculty, staff, and students to critically examine a full range of social (including business) institutions and practices. The commitment to social justice, embedded in the mission statements of virtually all institutions of higher education, reflects a need for goods and services that are produced fairly and sustainably. To the degree that these needs are not being effectively met in universities, there are reasons for actors at universities to experiment with PBE solutions for meeting these needs.

### **The Green Campus Co-operative as place-based entrepreneurship**

In the 2000s, a group of faculty members and students at York University were engaged in a series of overlapping concerns. The first of these involved improving the availability of socially and environmentally sustainable products on campus. On this front, they engaged in both public education (organising lectures, public forums, workshops) and advocacy (promoting “no sweat” and “fair trade” policies on campus and across other campuses through helping to organise national networks). One outcome of their work was the founding of the Sustainable Purchasing Coalition, a network of student organisations on campus. It was successful in prompting the university to adopt a no sweat policy and also to establish a sustainability council. The second concern was to promote a more critical approach to business education on campus, one which did not merely critique the dominant model of investor-owned firms but examined other business models. On this front, they were successfully able to develop courses on social enterprises (co-operatives, non-profits, etc.) and to promote experiential education opportunities in such firms. The third concern was to promote research on alternative business models. Several professors were active in the leadership of a national research association and engaged (along with students) in research on co-operatives and other social economy organisations. At times, this involved action-research, including one project designed to establish a new fair trade business (Reed, 2013).

Although this group achieved some of its goals, it was particularly frustrated with its efforts to promote greater availability of sustainable products on campus. It gradually came to the realisation that their best strategy might be to combine their three concerns into one project. That project was the development of a business incubator which could promote social enterprises dedicated to providing more sustainable products on campus and to providing experiential education and research opportunities for students in these enterprises.

As part of the process of investigating how to establish a business incubator, the group applied for an innovation grant from the university. In drafting the proposal, they had the opportunity to talk with a variety of potential partners, including student organisations, faculty members and deans, the support of the latter being particularly necessary for a successful application. In addition, the group spoke with two other potential partners, the main food services operations on campus (whose support would be essential for operating any food service enterprise) and the bookstore (which had previously supported sustainable purchasing activities of the group). In the proposal, the group indicated that the first business to be incubated would be a sustainable café.

Shortly after the grant proposal was approved, the group formally incorporated as a not-for-profit co-operative, the Green Campus Co-operative (GCC). Over the next few years, it attempted to incubate three businesses. In each case, it needed to fulfil the basic conditions of place-based entrepreneurship. The following sections detail and evaluate how the GCC (as a collective entrepreneur) undertook these tasks in each of the enterprises.

## **The Café**

### **The vision and alternative business model**

In 2011, the GCC formally began the process of incubating its first business, though much work had already been undertaken during the preparation of its grant proposal. The reason for starting with a café was based upon the existence of two previous ventures on campus, a co-operative café in the Faculty of Environmental Studies and a kiosk developed by food services to promote a university-associated fair trade coffee brand (that emerged out of a project by a research institute on campus). These enterprises indicated that there had been institutional support for similar initiatives, from students, faculty, and the administration, and such support might be marshalled for a new initiative.

The GCC understood, however, that a new proposal would have to be guided by a new vision, one that could combine elements of the two previous efforts as well as new components. Like the previous co-operative café, the new vision incorporated a co-operative model. It saw the need to extend membership, however, beyond a single faculty to the whole campus. It also understood the need, like the kiosk, to operate on a more commercial basis and to compete with other quality coffee service providers on campus. In addition, the new venture was committed to interacting with members as students and researchers, and not just as consumers. To this end, it incorporated experiential educational into its mission and envisioned the venture as a living lab, in which sustainability initiatives could be developed, tested, and disseminated across campus.

### **Local knowledge and strategy**

As part of the process of developing its vision and creating a strategy, the GCC had to generate and assemble knowledge related to three issues. First, it had to provide an account of the failure of the previous two enterprises. To do this, it conducted interviews with board members and patrons of the previous café (and examined some MA theses written on the topic) and spoke to food service officials about the kiosk. Second, the GCC had to confirm that there was indeed interest in the establishment of a new venture. To this end, it held a series of public meetings on the topic, and consulted with key institutional officials (deans, the head of a research institute, the director of food services, etc.). Third, the GCC had to ensure that there were potential suppliers with shared values that could be partners in the project. Through its connections in the fair trade movement, it was able to find appropriate partners.

On the basis of this information, the GCC developed a strategy on which to proceed. The first step, as noted above, involved applying for an internal university grant. This would provide the group with some initial financing and some degree of legitimacy among different actors on

campus. The second step was to set up a formal business structure and, as mentioned above, in September of 2011, the GCC was incorporated as a not-for-profit co-operative. Third, the new business needed to develop a formal business plan for the project. This included ensuring an appropriate site for the café (which entailed getting the desired site rezoned for commercial space), as well as gathering information from food services and potential suppliers for the business plan. A fourth component involved developing a strategy for financing the project. On this basis, it would be possible to approach the university administration to get formal permission to proceed with the project. As the campus is somewhat self-contained, there was never any real option of acquiring space for an off-campus location.

## **Mobilising resources and implementation**

In developing the business plan, the GCC conducted market research and was able to gather significant data from its potential suppliers (most notably a local co-operative coffee roastery) and the food service office on campus. In conducting this research and writing the business plan, the GCC relied upon (student and faculty) volunteer labour, along with support from graduate assistants and a student consulting firm, which was financed through the initial grant. To procure financing for renovations and start-up activities, the GCC looked to a variety of sources. It worked with two environmental studies student organisations, which successfully ran levy campaigns to raise funds for the project. A small grant application to a foundation sponsored by a local food co-operative was also successful. In addition, the co-operative ran a community bond campaign, targeted mostly at faculty members of the university. On this basis, the GCC raised what it believed was the requisite funds and was in a position to formally approach the administration with a proposal.

When the GCC approached the university, however, a problem arose. Previously, the campus food service operations had indicated to the GCC that commercial vendors were able to oversee their own renovation projects, and the GCC developed its business plan based upon this assumption. When the GCC approached the business operations office, however, it was informed that a new policy required the entire design and renovation process to be carried out through the university and its contractors. The GCC had no choice but to agree to this, and it proceeded with the university conducting a costing for the project. When the co-operative received the estimate for the project, it was more than three times their own estimates, a fact which made the enterprise financially unviable.

## **Analysis and evaluation**

In analysing the effectiveness of the vision that the GCC articulated, it is important to distinguish two aspects and how they were received by different groups. One key feature of the vision was the promotion of sustainable production and consumption, and the incorporation of students and faculty members into this goal through experiential education and research. This notion resonated most strongly with students and faculty members. Senior academic administrators were also generally supportive of this component of the vision, as were some administrators on the financial and business operations side. No one openly expressed opposition to the notion. The second key component of the vision related to the business model, specifically a co-operative involving significant student participation. Here, again, students and faculty expressed the strongest support for this component of the vision. Some senior business operations administrators, however, were rather uncomfortable with, if not a bit hostile to the proposed business model. This opposition was not necessarily a decisive factor in the failure of the project, but it was indicative of other problems (as discussed below). Nor did this opposition indicate that the co-operative model per se was a weakness in the GCC vision. There may have been a weakness, however, with the organisational model that the co-operative employed. Specifically, the GCC did not provide for representation and participation by collective actors (e.g., student groups, faculty associations).

While the GCC was able to generate knowledge on some key issues as noted above (e.g., the reasons for the collapse of previous ventures, the potential consumer base, and potential



suppliers), there was obviously one important area about which it did not have an adequate understanding. This was the organisation and culture of the financial and business operations side of the university. As a result of this lapse, the GCC did appreciate the resources (especially financial) that it would need to access for the project and did not develop a realistic business plan.

While the lack of adequate knowledge of the business operations side of the university was one factor in the failure of the GCC to mobilise adequate resources for this project, there were other factors as well. For one, although its vision aligned with the values and mission of the university, the GCC did not have strong connections with the senior academic administration. Additionally, the GCC as an organisation did not yet have an established track record of incubating businesses or engaging in public education and advocacy. This meant that senior academic administrators were not willing to strongly advocate for the project (or provide additional resources themselves). The third factor that limited the ability of the GCC to mobilise resources, alluded to above, was that it did not have other strong institutional partners as allies. While it was able to work with some smaller student organisations to raise funds, it did not incorporate student or faculty organisations formally into its organisational model, either as organisational members or as part of a network. There were two implications of this. On the one hand, its strategy for raising resources relied too heavily upon an appeal to individuals rather than leveraging support through organisations. On the other, it did not have strong institutional allies which could advocate for it with the senior academic administration.

## **The Garment Company**

### **The vision and alternative business model**

In 2006, some faculty members at York University, who would later become founding members of the GCC, began talks with a local worker co-operative about an action-research project designed to develop a new fair trade product and business. The researchers were interested in what it would take to develop a new fair trade value chain and market, while the co-operative was interested in developing a new product line. After some discussion, they decided upon fair trade (and organic) cotton garments, specifically t-shirts. After securing a grant for this project, members of the research team and the co-operative visited India where potential partners were identified. In 2010, a pilot order of 1,000 shirts was placed. In 2011, a local university bookstore agreed to place an order for 1,000 shirts. After these initial orders, the worker co-operative was not able to sustain the business. In its analysis of the project with the worker co-operative, the GCC board did not believe that there were any inherent problems that precluded the viability of a fair trade and organic cotton garment business. They were convinced, however, that a different approach needed to be tried. Specifically, they thought that a university centred PBE approach could make important links to the history of concerns on university campuses about sustainable garments.

The vision that the GCC developed for their new enterprise overlapped in two important ways with that of the worker co-operative. They were both committed to co-operative principles and the development of value chains involving mission-driven businesses. What the GCC was able to bring to its vision, however, were ties to university organisations and their inter-university networks, especially “no sweat” and “fair trade” movements. Its vision provided these actors, who had grown increasingly frustrated with trying to hold conventional businesses “accountable”, with a viable alternative strategy, namely, supporting value chains comprised of mission-based businesses, including small producer co-operatives. Students could advocate for these alternatives not only as consumers, but they could engage their university purchasing directors by leveraging the fair trade policies which their organisations had prompted their universities to adopt. In addition, the GCC sought to engage students not just as activists, but also as students through providing experiential education opportunities (e.g., placements, internships, research opportunities) related to the promotion of such alternative value chains.

## **Local knowledge and strategy**

Members of the GCC had acquired local knowledge in several relevant areas as a result of their previous engagement in campus-based movements and their involvement in previous failed (fair trade) ventures (e.g., the worker co-operative cotton business and the sustainable café). First, as part of its involvement in no sweat and fair trade movements, the GCC had acquired some knowledge about the cotton garment market on university campuses. Another key area of local knowledge was university procurement policies. Knowledge on this topic was attained in part through a study on fair trade, labour rights and sustainable procurement policies in Canadian universities that was conducted by some GCC members (McMurtry et al., 2013). A third important area of local knowledge was the understanding of decision-making processes of the business operations side of the university. Knowledge in this area was accrued in part through interactions involving their failed café venture and in part through subsequent participation in university committees, most notably the university's sustainability council and its various sub-committees. A fourth area of local knowledge attained through its movement activity involved the emerging fair trade campus system and its ability to successfully advocate for fair trade policies and sales on campuses.

As it was accumulating different forms of local knowledge, the GCC generated an emergent strategy for testing the prospects for developing a market in fair trade and organic cotton garments. The first stage would involve "strong" affinity buyers, a group comprising student organisations and NGOs which had social justice as a key component of their mission, especially those concerned with issues of fair trade and development. It was thought that this would be the most sympathetic clientele and that this test could be limited to one product and would not require huge investments (with sales typically of lots under 200 shirts). A second test phase would involve seeking out larger institutional buyers on campuses (e.g., bookstores and faculties/departments). While also potentially sympathetic, this segment would be more demanding in their standards and more formal in their procurement procedures. The specific goals here were to better understand the issues of quality and price competition in a single product market (t-shirts), as well as the prospects from spreading out into other product markets (e.g., polo shirts, hoodies, etc.). This phase could also provide important information on competitors (relating to price, quality, value commitments). A third stage would involve a commitment to developing a dedicated enterprise and investing in the products, equipment, and staff that could generate a viable market in fair trade and cotton garments.

## **Mobilising resources and implementation**

The GCC was able to initiate the first stage of its strategy, testing the market through small batch orders, with relatively little investment and without an overly steep learning curve. On the supply side, as it was able to procure the stock of the failed fair trade cotton business, its costs were quite low, and it did not have to figure out the importing side of the business. On the demand side, its costs were also low as it was able to market through social media and direct contacts which it had through its involvement with student organisations and NGOs in the fair trade movement. Human resources consisted of volunteer labour and the work of experiential education students.

The second phase of its strategy, procuring larger orders from institutional buyers, required the GCC to attain more significant financing, as well as to learn about the importing process and the university procurement system. The former issue was resolved through zero-interest loans provided by board members. The latter problems were facilitated by a close relationship which the co-operative had nurtured with the university bookstore. The latter was willing to help by importing the initial orders for the co-operative and by facilitating the application process of the co-operative becoming a university vendor. The bookstore staff was also helpful in allowing the GCC to gain a more sophisticated understanding of the university spirit wear market<sup>1</sup>. In addition, the faculties who had supported the GCC's initial café project now played a key role in the cotton project by providing orders for shirts and warehousing space. In this phase, human resources continued to be provided entirely by volunteer labour and experiential education students.

Within two years of getting its first large bulk orders, the GCC shifted into its third phase, in which it fully committed to developing an enterprise capable of opening up a market in fair trade cotton goods. This entailed increasing its product selection in t-shirts (different colours, styles), offering new products (e.g., polo shirts, hoodies), and developing its own printing services. It also involved the hiring of a full-time executive director who would be in charge not only of sales and marketing, but also of leading a strategic planning process. As part of this process, the co-operative is now able to target the personalised t-shirt market (where individuals can design and order their own shirts online), small batch orders from strong affinity buyers, and larger bulk orders (1,000 plus pieces) from institutional buyers.

To mobilise financial resources to cover the costs of its expansion, the GCC developed a formal business plan and explored a variety of financing options. It did have some internal funds that had accrued through sales, which it was able to contribute. It was able to procure a loan for its printing equipment from a local credit union. This was possible not only because the GCC was a member, but various GCC board members had worked with the credit union over the years (as interns, as advocates, in co-operative education campaigns, etc.). It has also applied for small grants and is developing a social funding campaign. In addition, the GCC has been able to rely on additional zero-interest loans from board members.

### **Analysis and evaluation**

The vision that the GCC expounded for its cotton enterprise has proven to be attractive to different constituencies. Fair trade activists and strong affinity buyers are drawn to the GCC's commitment to selling only fair trade products, its co-operative model and its alternative supply chain. Institutional buyers on campuses and students appreciate its broader commitment to sustainability and providing students with opportunities for experiential education. While there has been little negative response to the vision, one weakness has been the failure of the GCC to define and elaborate its co-operative model more fully, especially with regard to how it operates across universities (and increasingly schools), including whether and how it plans to support experiential education opportunities for students on other campuses. From the start of its project, the GCC has envisaged the possibility of spreading its co-operative model to other campuses (and not just seeking sales). It has engaged in informal conversations with other co-operative organisations and activists about the prospects for and, perhaps even the need to do so. The GCC will continue these conversations, spurred not only by its commitment to expanding experiential education and fair trade, but also by the likely need to grow its business in order to survive, for while it is currently the only supplier of fair trade cotton spirit wear, it suffers from tremendous price competition from other products and is very vulnerable to larger new entrants in the market.

Like many co-operative start-ups, the GCC has faced challenges in raising capital. It has been able to leverage some funds from other supportive social economy organisations and is exploring some social funding options (e.g., a kickstart campaign). Prudence now dictates, somewhat ironically, that it probably needs to grow rapidly, as there is the threat that larger conventional enterprises may soon enter the market. This gives greater urgency to finding new sources of funding (for product development, warehousing capacity, staff, etc.). While new vehicles for attracting "investments funds" have become available to co-operatives in recent years (e.g., community bonds, non-voting shares), such methods typically rely upon appealing to individuals, require a strong track record and do not necessarily advance other key aspects of the GCC's mission (e.g., promoting experiential education). Moreover, they do not supply other resources (e.g., human resources for advocacy, education, marketing) which may be supplied by institutional partners. For these reasons, the GCC faces another challenge of innovation, which may require it to develop a new organisation model which will enable it to attract and incorporate mission-driven partners with the capacities and interest to engage not just as consumers, but as member organisations in some form of collaborative venture.



## **The Café & Pub**

### **The vision and alternative business model**

In the late 1980s, the York University Faculty Association (YUFA), with financial support from the university administration, established a faculty club. The purpose of the club was to offer food and beverage services for members, as well as to provide a site for more informal social and intellectual interaction. Incorporated as a non-profit, the business model entailed the Board of Directors contracting with a small catering outfit to run the enterprise. Before it closed down in 2004, three different small business operators had been contracted to run the enterprise (Sprakman, 2001). In the early 1990s, the York University Graduate Student Association established the York University Graduate Student Lounge. It had a similar legal structure and purpose to that of the Faculty Club but was servicing a different constituency. In its original location, this enterprise did not have a full kitchen and offered a very limited food menu. In 2006, it relocated to the space previously occupied by the former Faculty Club. Incorporated as a non-profit, the “Grad Lounge” was run by a full-time manager and had a full-time cook. Front counter staff was provided by part-time employees, most of whom were graduate students. The Grad Lounge closed in 2012. Despite the fact that both the Faculty Club and the Grad Lounge failed, the GCC’s analysis led it to the conclusion that the challenges of the business environment could be overcome and the core functions of the enterprises (i.e., food and beverage service in an ambience which allowed for informal social and intellectual engagement) could be successfully fulfilled if a PBE approach was introduced.

In taking up this challenge, the GCC began by introducing three key elements into the vision of its new model. First, it proposed a formal collaboration with other organisations (faculty, graduate student, staff) in running and overseeing the new enterprise. Second, it sought to engage collaborators not just as consumers, but also in their primary roles at the university (e.g., as researchers, teachers, students). Third, it incorporated core university goals and values into the mission of the enterprise, especially the promotion of sustainable production and consumption, and experiential education and research.

To embody this vision in a business model that was both reflective of its values and capable of effectively fulfilling its goals, the GCC proposed a not-for-profit co-operative with both corporate and individual members. Incorporating faculty and student organisations as corporate members was designed to ensure buy-in from the organisations in the form of oversight and the provision of resources. Allowing individual membership was meant to encourage consumer loyalty and active participation by faculty and students not directly involved in the leadership of their organisations, especially those with a practical and/or research interest in food studies, sustainable business, etc.

### **Local knowledge and strategy**

The GCC leadership understood that, to move forward with its vision, local knowledge in several areas had to be developed or accessed. The first of these was the interest of faculty members and graduate students in such an enterprise and their willingness to contribute to it (financially, as patrons, as volunteers). The GCC was able to gain this information through meeting with the executives of faculty and student organisations, who agreed to interviews and to facilitate member surveys. Secondly, it was important to understand the reasons for the failure of previous businesses. The GCC was able to ascertain this knowledge by documentary analysis and through interviews with former board members. A third area of knowledge was the local business environment, especially the role of the university’s business service division in shaping and administering this environment. Through its previous business initiatives and by talking with a range of administrators and stakeholders, the GCC was able to develop a good understanding of the business environment on campus. A final area of knowledge related to the ability of key stakeholders to exercise influence in the university (as a place). Specifically, faculty and graduate student organisations engaged with the administration in various fora regarding a range of issues. Such engagement on behalf of their membership provides the leadership of

these organisations with knowledge of institutional policies, practices, priorities, and resources, into which the GCC was able to tap.

Based upon the local knowledge that it was able to accrue, the GCC developed a three-phase strategy. The first phase involved identifying and engaging potential institutional partners. This would require the generation of a concept paper which could delineate the basic mission and services of the enterprise and the outlines of an organisational structure. The second phase would involve consolidating support of these partners. This would necessitate a more detailed formulation of an organisational structure (to provide the basis for incorporating the new enterprise) and the elaboration of a formal business plan. The third phase would involve engaging with the university to get permission to move forward (and to try to secure a financial contribution on their part).

### **Mobilisation of resources and implementation**

To implement its strategy, the GCC had to mobilise human and financial resources. One key source of resources resided with its potential institutional partners. The GCC considered and approached several organisations to be partners, but the primary targets were the dominant faculty and graduate student associations, both of which had previously organised food service enterprises for their members. After a series of informal conversations, the GCC brought a concept paper to the executives of the faculty and graduate student associations, which laid out the mission of the proposed enterprise, the services that it would offer, and a draft of the organisational/governance structure. A positive response enabled the GCC to generate and/or access the various forms of knowledge outlined above and to develop a formal business plan, including a financial plan with suggested financial contributions for the partner organisations. The approval of the organisational model and the business plan committed the partners to providing financial and human resources. On this basis, the group was ready to formally approach the administration with a proposal for the new enterprise.

While the GCC was in negotiations with its institutional partners, it also was in informal contact with some administrative offices, most notably food services (with which they had established good relationships). This meant that when the group was ready to approach the administration with a formal proposal, the administration was aware that such a proposal was coming. Upon receiving the proposal, the business services office initiated a costing of the proposed project. During this process, the university planners worked closely with the start-up committee of the group to discuss design, materials, cost control etc. Once the costing was finished, the group was presented with the plans and the costs estimates for the project. As was anticipated, the estimated costs were well beyond what the group had budgeted, and the group entered into negotiations with the administration about how the costs might be controlled, and the possibility of a financial contribution on the part of the administration. After some time, the administration agreed to cover the cost difference between what the group had budgeted for its contribution and the estimated costs for the project (this did not include other start-up costs of the group, e.g., supplies, training of staff, etc.).

After the parameters of the project, including the financing, were agreed upon, the GCC provided leadership on several start-up tasks. First, it took on the responsibility for producing the final drafts of the incorporation papers, as well as for other legal matters (acquiring licenses, insurance, etc.). It was also involved in liaising with planners on the renovations. As well, the GCC played a key role in putting in place the organisational structure (e.g., recruiting volunteers for committees, overseeing some key committees, and making arrangements to procure experiential education students to work with committees, etc.). Finally, GCC members played an important role in the hiring and training of staff and the oversight of management.

### **Analysis and evaluation**

As noted above, the GCC was able to present to its key stakeholder groups a vision which engaged them not only as consumers but in their primary roles in the university, that is, as

teachers, students, researchers. This vision incorporated key goals and values of the university (e.g., sustainability, social justice, experiential education, etc.). What was different about this project was that the vision engaged the key stakeholders not as individuals or support groups, but as institutional members who had an integral and active role to play in the governance of the venture and its success. If there was a short-coming in the vision, some might argue, it was the fact that it did not engage the whole community. The mandate of the enterprise is oriented to faculty, graduate students, and staff and it does not market itself to undergraduate students (though it does not exclude them from patronising the café and engages them in its experiential education programmes). There are on-going discussions about whether and how to include undergraduate students, or whether it would be better to meet the needs of the undergraduate population with a separate enterprise.

In this project, the GCC was able to attain and deploy significant amounts of local knowledge. Some of this knowledge involved issues related to previous enterprises that was made available through institutional partners. Equally important was knowledge of the functioning of the university administration. Part of this knowledge was procured through the GCC's engagement with the administration on earlier projects. Equally important was knowledge that the GCC attained through its partnership with the faculty and graduate student associations, which provided it with a better sense of the resources controlled by the administration and how it might be possible to tap into these resources. There were, and still are, many sources of knowledge at the university which the new enterprise has not adequately appropriated and leveraged. It hopes to do so as part of its on-going commitment to experiential education and sustainability.

With regard to mobilising resources, the most important difference between this and the previous projects was the formal incorporation of institutional partners into the business. Having the faculty and graduate student associations as corporate members of the new co-operative provided direct and indirect access to significant financial and human resources. On the financial side, both organisations were able to generate levies from their memberships to provide start-up funds. The faculty association was also able to provide additional funds from its trust. In addition, the presence of these two organisations as partners was decisive in getting the university to also contribute funds to the project. On the human resource side, both organisations contributed directly by providing directors to the board who had experience working in large organisations. Indirectly, they were able to encourage their members to run for the board and to participate in the various committees of the organisation. A second key factor in the successful mobilisation of resources for this project was the fact that members of the GCC had become much more active in cross campus organisations, most notably the sustainability council and its working groups. This, and experience from their past endeavours, enabled members of the GCC to work on a regular basis with key members of the business services operations on campus, to build relationships with them and to gain their trust.

While the co-operative was able to successfully launch the resources necessary to incubate the business, after one year of operation it is still very much in the fledgling stage. Given the competitive environment and unique business climate in which the co-operative operates, continued success will be dependent upon an on-going ability to marshal the local resources that are the source of its competitive advantage.

## **Conclusions**

The case of the GCC demonstrates that it is possible to use a PBE model to promote new social enterprises on university campuses. However, as its experience is limited and the businesses that it has incubated are still fledgling in nature, more questions remain than have been answered. The most immediate questions for the GCC concern whether and how it will be possible to consolidate and/or grow their enterprises as they move into a new phase of business development. Do they require new leadership? Do they require changes in the board composition and competencies? Do they require greater professionalisation and growth of

staff? Do they require new partnerships and resources? Finding answers to these questions will determine whether their enterprises will be able to survive in the long term.

The experience of the GCC also raises a series of other questions relating to how PBE may extend to and across other campuses, with some of these questions possibly overlapping with the future of the GCC and the enterprises it has incubated. One question is whether the co-operative model with different institutional partners that the GCC has developed in its café and pub enterprise might be replicable on different campuses. A second question relates to whether PBE businesses set up on one campus can provide services to other campuses (e.g., as suppliers of goods and services) and whether some of these businesses may need to find such markets on other campuses in order to survive in the long run. In the case of the GCC, this need to expand to other campuses is a very open question for its garment enterprise. A third question is whether PBE businesses can extend to other campuses in ways in which they can provide the same type of experiential educational opportunities for students on these campuses to become involved in developing sustainable businesses (e.g., through some form of tiered co-operative model or a model with institutional partners on different campuses). A final question is whether the experience of the GCC can serve as an impetus for its own and other universities to rethink how entrepreneurship is promoted on campuses. Specifically at issue is whether universities can rethink or diversify the rather conventional approach to entrepreneurship (and business models) that they have adopted, whether they are willing to see their campuses as sites of innovation to meet their own needs, and whether they are willing to reallocate resources to promote PBE initiatives that align with their core values and mission.

## The Author

Professor Darryl Reed taught in the Business and Society programme at York University (Toronto) for more than twenty years. He recently took up a new position in the Faculty of Management at the Okanagan Campus of the University of British Columbia. His research has focused on both business ethics (including the ethics of development and co-operation) as well as regional economic development (including the role of fair trade organisations). He has served on the board of the Canadian Association for Studies in Co-operation (CASC) for a number of years. He is a founding member of the Green Campus Co-operative.

## Note

- 1 Spirit wear is customised clothing — t-shirts, sweatshirts etc., that incorporate the university name and logo.

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