Business model comparison

	Co-operative	Corporation	Partnership	Sole Proprietor
Purpose	To create wealth; to provide services; to benefit members	To generate wealth for shareholders	To generate wealth for the partners	To generate wealth for the owner
Ownership	Based on holding an ownership share; all members are equal	Based on holding an ownership share; ownership is determined by number of shares held	Based on investment (2 or more)	Single owner
Decision-making	All members have one vote; governed by a board of directors	Based on number of shares held; governed by a board of directors	Based on consensus, negotiation	Single decision-maker
Liability	Liability is limited to investment (share value)	Liability is limited to investment (share value)	Partners can be liable for debts	Owner can be liable for debts
Distribution of profit	Profit is distributed proportionate to the member's use of the co-operative	Profit is distributed based on number of shares held	Profit is distributed among partners based on agreement	Profit accrues to single individual
Financing	Member equity, investment shares, fundraising, grants, loans	Shareholder investment, fundraising, grants, loans	Partner equity, grants, loans	Personal investment, grants, loans
Tax status	Corporate tax, unless non-profit	Corporate tax, unless non-profit	Small business income tax	Small business income tax

Notes

- The co-operative business model combines the best of small business ownership (local wealth creation, reflects community interests) and a corporation (governance, potential for longevity and limited liability).

- The co-operative model is the only one on this chart that provides a governance model where every voice around the table is equal.

- It is important to remember that a co-operative is NOT community-owned, but rather owned by members of the community. You are only a member or shareholder of a co-operative when you choose to join the business and are allowed to purchase a share. You are not a member by default of being a member of the community.

Differences to note

- All members or shareholders generally have one vote. This differs from an investor-driven shareholder group where influence is based on number of shares owned. That said, you can have different classes of shareholders, which will impact decision-making influence, but it will not impact the one share, one vote rule.

- Profit distribution is generally based on shareholder or membership use of the service or product the business delivers.