



To: Yi-An Huang, City Manager

From: Melissa Peters, Assistant City Manager for Community Development

Date: June 8, 2026

Re: Awaiting Report 26-31 dated April 27, 2026, directing the City Manager to strengthen Cambridge's support for worker cooperatives by updating succession-planning materials, enhancing outreach and technical-assistance pipelines, and encouraging procurement practices that increase visibility and opportunities to worker-owned firms.

Cambridge Succession Planning Program

Launched in 2024, the City's Small Business Succession Planning Program provides resources to help business owners prepare for the future. Cambridge remains one of the few municipalities offering a comprehensive, city run succession planning initiative at a time when many small business owners are approaching transition points.

While the City can provide education, guidance, and technical assistance, we cannot direct or require a business to choose a particular successor or ownership model; our role is to ensure they have access to the resources needed to make informed decisions. CDD currently offers the following tools to support ownership transitions:

- Two free Succession Planning Workbooks, available in print and online and reviewed for plain language:
 1. Succession Planning Toolkit – a step-by-step guide that introduces key concepts and options, including sale to employees.
 2. Succession Planning and Employee Ownership Workbook – created by the ICA Group, the country's longest standing expert in worker cooperative development. It offers detailed guidance on employee ownership models along with practical worksheets for business owners.

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- Workshops and panels on planning for an ownership transition, including cooperative buyout financing with the Cooperative Fund of the Northeast (CFNE). In 2025, CDD hosted the CFNE workshop and another workshop focused specifically on employee ownership models, as well as the Massachusetts Center for Employee Ownership's first Regional Symposium. Many of these sessions are recorded and posted online. These workshops are in addition to the other business development workshops we offer to the business community.
- Since FY25, we have offered one-on-one coaching to HUD eligible businesses, delivered with the ICA Group, to help owners explore worker cooperative conversions and other transition paths. Since 2025, more than 140 people have attended a succession planning workshop or received individualized coaching support.

CDD staff capacity has also grown in this area. Sarah Jane Huber, Associate Economic Development Specialist, completed the 2025 Northeast Transition Initiative (NETI) Fellowship, strengthening the City's connections with technical assistance providers, including many who focus on employee ownership. These relationships help us match Cambridge businesses with support as needed.

Additional resources, recordings, and materials are available on our updated Succession Planning Program website:

<https://www.cambridgema.gov/CDD/economicopportunityanddevelopment/smallbusinessassistance/smallbusinessprograms/successionplanningprogram>.

In FY27, CDD will continue expanding education and coaching around succession planning and worker cooperatives, including deepening collaborations with organizations in the field. We anticipate hosting additional networking opportunities for business owners, employees, emerging entrepreneurs, and service providers. We also look forward to promoting the Massachusetts Center for Employee Ownership's upcoming assistance program, which will provide financial support for businesses exploring a transition to employee ownership.

Purchasing

Chapter 30B does not contemplate a provision for worker cooperatives, separately from MBE, WBE, and VBEs-owned businesses. In the current state of the law, the City is limited to outreach efforts and the competitive procurement requirements as they exist today for spending at or above

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ten thousand dollars (\$10,000). Purchasing maintains a Diverse Vendor Database on the Common Ground, the City's intranet, so City staff can easily identify and connect with diverse vendors for purchases for goods and services. Purchasing already includes diverse, employee-owned businesses in that database. Given the limited number of local co-ops providing relevant services, the most effective near-term strategy is to strengthen internal guidance so staff clearly understand that worker cooperatives can participate under current certification and procurement processes. As the number of local co-ops in relevant sectors grows, this approach will help the City to engage them more fully.

CDD runs a variety of programs to expand procurement opportunities for diverse businesses. The Cambridge Procurement Forum is a structured business-to-business, peer-to-peer learning session for companies interested in exploring procurement opportunities. To encourage City staff to purchase goods and services from employee-owned businesses, CDD will continue to share updated lists of local employee-owned firms with departments, like our broader supplier diversity efforts. CDD will also ensure that employee-owned businesses are included in all general outreach and have equitable access to procurement information.

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