



Modo Client Partner Brief

Background

Modo Co-operative is Canada's first and largest carsharing co-operative. Founded 25 years ago in Vancouver with 2 cars and 16 members, today the member-owned co-op serves more than 28,000 members in 25 BC municipalities. It expects to have 1,000 vehicles in the fleet by the middle of 2023.

For Modo, shareholders and customers are one and the same, referred to as members or member-owners. Members acquire \$500 in shares upon joining and return on investment is characterized as affordable use of a vehicle. Effectively, thousands of people co-owning and sharing hundreds of cars. The sharing economy in the purest sense of that expression.

The co-op is driven by its Social Purpose – “to transform communities by connecting people with places in a way that’s affordable, convenient, inclusive and sustainable”, and defines success as realization of Purpose. It advocates that people walk, bike and use transit as first choices and, when you do need a vehicle, use a shared one.

The primary value propositions identified by members are affordability and reduced environmental impact. The average members spends not more than \$1,000 per year with Modo in comparison to the all-in annual cost to own a vehicle, per the Canadian Automobile Association, of \$8,000 to \$12,000. Academic research has identified that one shared car replaces 9 to 13 privately owned vehicles, and their related GHG emissions and other environmental impacts.

A for-profit co-op, Modo explicitly puts people before profit. The co-op's objective is to make sufficient profit to be viable for the long term and to continue to invest in people, systems and the fleet. A strong financial position provides the capacity and resilience for Modo to have even greater potential to making carsharing available to more people in more places.

Purpose before strategy, strategy before structure

At Modo, it all begins with our Purpose, which is highly durable and a near constant, the co-op's “north star”. Strategies to realize the Purpose vary with the circumstances – evolving member needs, competition, technology, and regulatory environment. Modo works with 3 year strategy cycles, defining “strategic themes” that guide its actions over that period.

Strategic Themes for 2022 – 2024

1. Scale up for greater impact
2. Protect affordability
3. Strengthen digital capabilities
4. Focus on diversity, equity and inclusion (DEI)

5. Transition to a zero emission fleet by 2030

Amongst several influences on the choice of strategic themes has been the climate crisis, increasing inequities in a growing region, and heightened awareness of issues of diversity, equity and inclusion.

Goals

The co-op also has adopted a set of goals, with realization of Purpose high on the list.

1. Realization of Purpose
2. Attractive employer
3. Member satisfaction
4. Membership growth
5. Sustainable economics

Targeted Outcomes

To know if it is achieving its goals, a set of key performance indicators (KPIs) have been adopted in the categories described below.

1. Measures of affordability, convenience, inclusion and sustainability
2. Measures of member satisfaction and participation
3. Measures of employee engagement
4. Measures of financial performance

Inclusion

Modo has been working to better understand whether it is achieving its Purpose in regards to the four attributes: affordable, convenient, inclusive and sustainable, and has found inclusivity to be hardest.

Like all co-operatives, Modo strives to live by the internationally recognized co-op principles, including voluntary and open membership. But what does “being inclusive” mean? What actions can the co-op take to be more inclusive and how can it measure it?

Modo’s first step in understanding just how inclusive its member-owned co-operative is, was to conduct research into how Black, Indigenous and people of colour (BIPOC) are represented in the membership. It set out to determine the extent to which the representation of BIPOC in Modo membership differs from the general population in regions where Modo operates. It wanted to identify potential reasons why differences may exist and ways to overcome exclusion of underrepresented groups.

The study was conducted over 2 phases. First, a quantitative survey was sent to the current Modo membership base achieving more than 3,000 completed responses. Then, qualitative interviews were conducted with 30 non-Modo members in BIPOC communities, to determine barriers and motivators to joining.

From the quantitative survey it learned that Modo members, irrespective of ethnic background rate the co-operative positively. Members generally claimed that they are satisfied with Modo, proud to be a member, and are likely to refer a friend when given the chance. They also generally agreed that Modo is an organization that cares about diversity and inclusion. When comparing their experiences with Modo to other organizations generally, individuals identifying as BIPOC were far less likely to have experienced micro or macro aggressions based on their ethnicity.

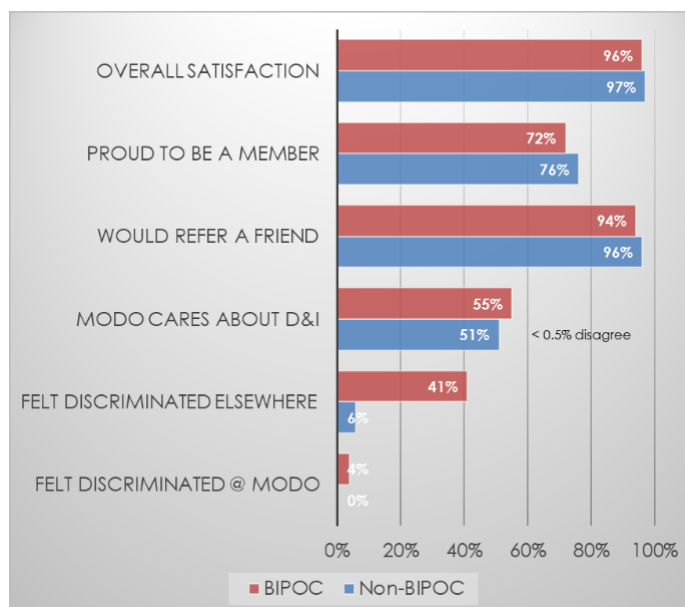


Fig. 1: Extracts from Modo's member survey

It also learned that Modo's membership base does not proportionally represent the rich diversity that makes up the general population in regions where Modo operates. Specifically, based on their representation in the general population, Chinese, South Asian, and Filipino people are under-represented in Modo's membership. Black and Indigenous people are proportionally represented.

In the Lower Mainland, where BIPOC representation in the population is generally higher, Chinese and South Asian Modo member proportions are just half of what they are in the general public.

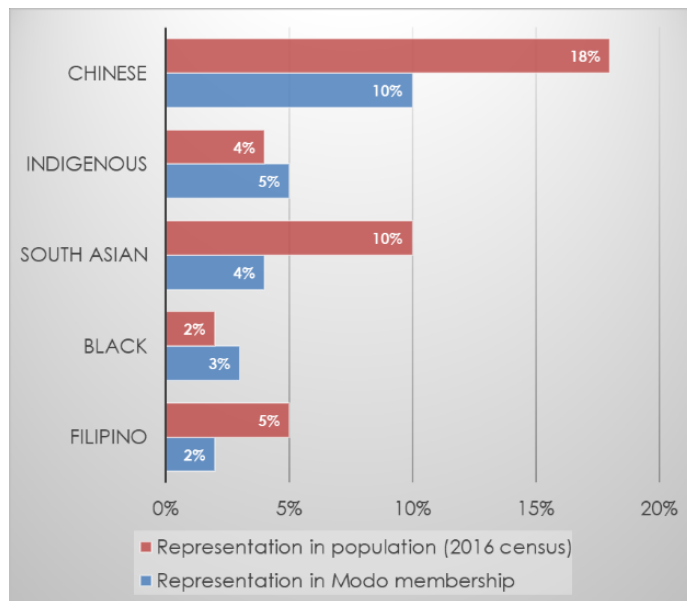


Fig. 2: Representation in Modo membership and the general population

Insights gained from the 1x1 interviews with non-members

1. Modo was advised to make itself more accessible to BIPOC communities by considering ways to increase vehicle availability in certain geographic areas.
2. It was encouraged to more authentically represent BIPOC in its communications by telling more intimate, nuanced stories about actual members from each community.
3. Interviewees told Modo that it is important to be transparent about the current diversity of the Modo team, including leadership and the board.
4. And it was advised to provide unconscious bias and anti-racism training for all staff members.

The Challenge

There is a gap between the relatively positive feedback Modo receives from its membership and its actual member diversity in relation to the communities where it operates. To create more impact and “to transform communities” the co-op believes that needs to change.

1. What actions should Modo take?
2. What opportunities should it explore and why?
3. What does success look like and how best could the co-op track its progress?