

MASTER THESIS

The added value of Steward Ownership for companies and their owners

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Abstract

Research question - The question: 'What is the added value of implementing the Steward Ownership structure into a company for the company and the founders of a company?' has been researched.

Methodology - To investigate this question, firstly, literature research was conducted. After the literature research, empirical research was conducted. Two Steward Ownership experts were interviewed. Next to that, four steward-owned companies were researched to write four case descriptions. The literature, interviews, and cases were reflected and analysed to compose an answer to the research question.

Conclusions - The cases and interviews confirmed the definition of Steward Ownership found in theory. The cases and interviews accepted the theory that steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long-term orientation. If steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism remains uncertain. The cases and interviews could not accept or reject the theory. The case companies and experts believe in good financial performances, but no sufficient company comparisons could be made. Missing active shareholders is a disadvantage that can easily be overcome with others giving advice and intervening. Founder control seems to have no significant effect on a company's value and performance, but the founder's personal financial gains can be harmed. Lower capital availability is not harming the achievement of targeted growth because lower growth might be chosen or solutions are found, such as mission-aligned investors. Steward Ownership positively affects stakeholders, such as employees, customers, and business partners. Steward-owned companies do not miss professional and managerial skills. Implementing Steward Ownership is a competitive disadvantage because it takes more time and resources to implement the Steward Ownership structure than other ownership structures, but this problem can be prevented with attention. Every company can implement Steward Ownership; there are no specific company specifications. The stakeholder or shareholder orientation has no significant effect on the occurrence of Steward Ownership in particular countries. Founders and entrepreneurs can best answer the main research question for their own company. To make a decision if Steward Ownership is worth implementing in their company, a decision tree was designed that can be found at the end of this thesis.

Reflection - It is suggested that researchers will investigate more about Steward Ownership. Especially about financial performance, advantages and disadvantages researched in specific areas such as the difference between long-term and short-term, steward-owned companies who are not satisfied, opinions of experts and companies who do not work with the model, possibilities to convince investors to become interested, different legal structures, and the choice to become steward-owned. It might be possible that the opinions given by the experts and case companies are too positive and that this makes the conclusions too positive. Another limitation is the low number of researched cases.

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Introduction

Background

In September and October 2020, two articles were published by Zorgvisie Magazine about the first-ever healthcare organisation in the world that implemented a new business investment form. The two full articles can be found in the appendix. In the articles, Kiers (2020) describes a new ownership structure at BuurtzorgT, called Steward Ownership. Steward Ownership is a legal way of structuring the ownership of a company that secures a company's mission and independence (Purpose Foundation, 2018). The structure secures two fundamental principles: profits do not end up at shareholders but will be reinvested in the company's purpose and self-governance. To secure these principles, the company's ownership is separated into shares with voting rights and shares with economic rights. People with a close connection to the firm hold the shares with voting rights, these are the stewards. These people make the business decisions but they have no economic rights and are therefore not personally motivated to strive for profit maximisation. They only make sure the company's mission is furthered. The economic rights are held by a foundation that makes sure that all profits of a steward-owned company are reinvested in the company. The article of Kiers (2020) states that the structure promises that companies remain independent, purpose-driven, and long-term oriented.

The research problem and question

Steward Ownership is a relatively new concept. There is a lack of literature and information about Steward Ownership's meaning, the advantages and disadvantages of the structure, and the implementation of the model. In the news articles about Steward Ownership at BuurtzorgT, the ownership structure is described as a great opportunity that only has advantages for the company. However, if the model brings significant benefits, why is the structure not more common? Founders and managers can not make a well-founded substantiation for their decision to implement or not implement Steward Ownership as their firm's ownership structure. Current literature does not give a clear description of companies that fit with the Steward Ownership model.

According to different corporate governance literature articles, the Steward Ownership structure should not be successful (Wasserman, 2017; Filatotchev & Dotsenko, 2015; Bouaziz, Fakhfakh & Jarboui, 2020; Buchanan, Netter & Yang, 2010; Brav, Jiang, Partnoy & Thomas, 2008; Greenwood & Schor, 2009; Klein & Zur, 2009; Manzanequea, Merinob & Priegoa, 2016; Boeker & Karichalil, 2002; Hambrick & Crozier, 1985; Berger & Udell, 1998; Wilson & Silva, 2013; Singh et al., 2005). These articles claim that in firms where the founders keep control, the financial performance should be lower. An IPO should be necessary for high growth firms. Firms should have lower valuations without active shareholders. Founder involvement should cause missing professional and managerial skills. Steward Ownership should only be implementable in stakeholder-oriented countries. So, according to these papers, steward-owned companies should face problems. This research will, next to the uncertainties about the meaning, advantages and disadvantages, and suitable companies, find out if the corporate problems occur, and if not, how they are solved or prevented. This will be researched by developing case descriptions of four steward-owned companies, interviewing two Steward Ownership experts, and analysing the cases, interviews, and literature.

To conclude, the following research question will be researched: What is the added value of implementing the Steward Ownership structure into a company for the company and owners of a company? The research questions developed to answer the main research question are summarised in figure 1.

What is the added value of implementing the Steward Ownership structure into a company for the company and the owners of a company?
1: What is Steward Ownership?
2: What are the benefits and disadvantages of Steward Ownership?
3: For which companies is Steward Ownership a suitable ownership structure?
4: Is Steward Ownership possible to implement only in countries with the stakeholder perspective?

Figure 1: An overview of the research questions

Implications and contribution to knowledge

This research brings a contribution to the knowledge about Steward Ownership. This research aims to compose an overview of the advantages and disadvantages of Steward Ownership. This research will also make a suggestion for which companies the Steward Ownership structure is suitable. Finally, this research will describe if corporate governance problems occur and how they are solved. Next to the founders and managers, this research is useful for investors, scholars, governments and researchers.

Outline of the thesis

In the next chapter, a theoretical framework has been developed. In this theoretical framework, literature about the definitions of Steward Ownership, the advantages and disadvantages of the structure and corporate governance theory that claims Steward Ownership should face problems are described. Based on the literature, research questions have been developed. In the next chapter, the methodology, it is explained how the research questions will be investigated. The results of this research will be presented in chapter 4. In chapter 5, the conclusion will be given. Finally, in the final chapter, the limitations of this research and propositions for future research will be described.

Theoretical framework

In this chapter, a theoretical framework has been developed. This is done to gain a thorough understanding of the academic work that already exists on Steward Ownership. Online academic sources such as JSTOR, ScienceDirect, ResearchGate, and Scopus were used to find literature. First, literature was searched and described that mentions Steward Ownership or similar terms such as foundation ownership or founder ownership. With this literature, the meaning, advantages and disadvantages, and the companies for which the model would be suitable were described. After that, corporate governance literature was searched and described that can be used as possible risks or disadvantages of implementing Steward Ownership.

What is Steward Ownership?

The Purpose Foundation (2018) describes Steward Ownership as a method to legally structure a company that secures a company's mission and independence. Steward Ownership is used to maintain two fundamental principles: profits serve purpose and self-governance. Most companies want to maximise profits to increase shareholder value, but steward-owned companies believe that how their purpose can be furthered should be their primary goal. Gaining profit can still be a goal of the company, but the profit does not end up as a dividend but is used to reinvest in the company, share with stakeholders, or donate to charity. To protect the company's purpose, the legal structure determines that control over management, strategy, and key operational decisions can only be made by people who have a close connection with the firm. These closely connected people that make the firm's decisions are called the stewards. It is their responsibility to determine what is best for the company's long-term survival. The economic and voting rights are separated; the stewards only hold the voting shares. This resolves the conflict between profit maximisation and mission preservation because the stewards are not personally motivated to maximise profit because the stewards will never get a part of the company's profit. When owners are motivated by making a profit, they sometimes choose profit over the best future for the company. This is the conflict that is meant here. Therefore, it is expected that stewards make better decisions for the whole company and with a better long-term perspective. The stewards have the incentive to lead the company towards the company's goals. In the firm's legal structure, it is also determined that the firm can not be sold.

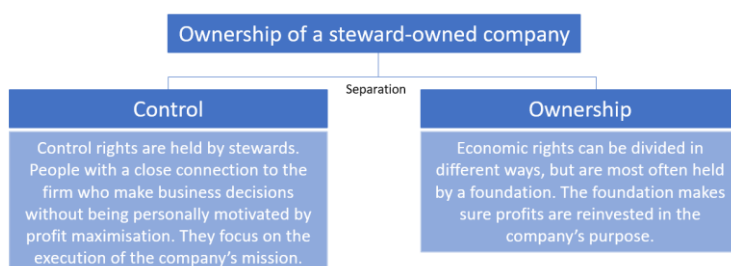


Figure 2: The Steward Ownership structure

The structures used to remain independent, purpose-driven, and long-term oriented can vary in legal jurisdictions, structural complexity, and governance philosophies. Three structures that are used in Steward-owned companies are (We are Stewards, 2021):

- The golden share structure: voting rights are held by the stewards, economic rights by the investors. A foundation holds a golden share to safeguard.
- The neutralised capital structure: a foundation holds economic ownership, the stewards hold voting rights.
- The shareholder foundation structure: a foundation holds the entire company or a majority of the voting rights with a strong governance structure.

Thomsen and Rose (2004) describe Steward-owned firms as organisations created to administer a large ownership stake in a particular firm. The researchers call Steward Ownership in Denmark Foundation Ownership. Foundations are independent special-purpose legal entities with no owners, members or shareholders (Hermann & Franke, 2002). The foundation is a non-profit entity (Thomsen & Rose, 2004). Next to that, the foundation can not be dissolved. Often the founder donated his ownership to the foundation. Typically the founder wants to secure the firm's future, and for this, a foundation is created (Thomsen et al., 2018). The handover of ownership to the foundation is irrevocable (Thomsen et al., 2018). In foundation-owned companies, profit maximisation is not the goal. Foundations are managed by a board of directors. The foundation's board of directors is chosen to act in the company's best interest, and revenue is used for charitable purposes (Thomsen & Rose, 2004). In industrial foundations, the founder or the founder's family continues a part of the management of the company.

Already in this part of this research, a research problem occurs. Namely, there is a lack of literature about the meaning of Steward Ownership. The Steward Ownership model is described in only a few academic articles. For example, in the academic database, Scopus 797 documents can be found about the limited liability company structure compared to 10 papers about the steward ownership or foundation ownership structure. Because of this lack of academic information, there are still many uncertainties about Steward Ownership.

The advantages and disadvantages of Steward Ownership

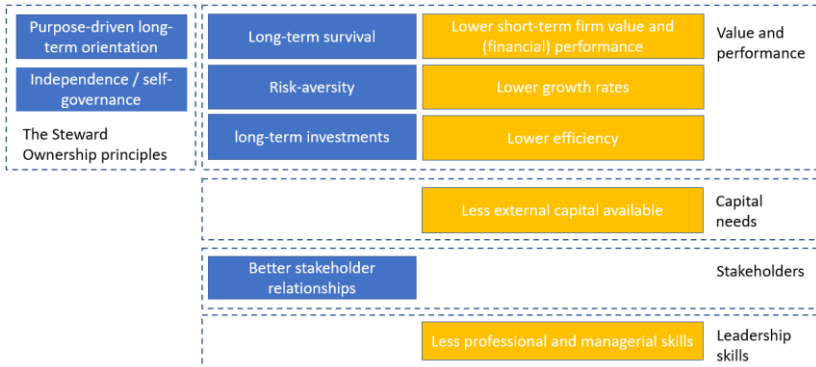


Figure 3: The advantages and disadvantages of Stewards Ownership found in the literature

In the literature, the above-summarised advantages and disadvantages of Steward Ownership were found. The advantages and disadvantages are divided into five subjects. The subjects were used to create research questions and hypotheses that can be found at the end of this chapter. These subjects deserve more focus because of their importance for companies and founders when choosing to implement Steward Ownership. For instance, a company wants to know if good firm values and financial performances can be achieved, if capital is available to finance the targeted growth, and if stakeholders are positively influenced by the structure. Next to the importance, it was noticeable that the advantages and disadvantages found in literature often touched one of the subjects. With this deviation, all important benefits and disadvantages could easily be divided.

The advantages

Some advantages of the Steward Ownership structure are researched and described in the literature. The purpose-driven long-term orientation of steward-owned companies is substantiated by Thomsen et al. (2018). The researchers described that the Steward Ownership structure provides credible ownership stability. This stability results in leaders who have a long-term perspective on corporate decisions without pressure from earning reports and share valuations. Thomsen et al. (2018) also found a more long-term orientation

on the survival and fulfilment of the purpose of a company in steward-owned companies. The researchers found this with a significantly higher long-term score of Danish foundation-owned companies compared to Danish companies with other ownership structures. The focus on long-term governance results in more continuity in company strategy, more orientation on the company's purpose, and longer relationships with stakeholders. Thomsen et al. (2018) found that the focus on long-term survival and purpose of foundation-owned companies results in surviving longer compared to firms with other ownership structures. The researchers found a correlation between the foundation-ownership structure and having a six times higher survival probability. Conventionally-owned companies survive in 10 per cent of all cases after 40 years, and foundation-owned companies in 60 per cent of all cases. The researchers found that foundation ownership is highly stable compared to other ownership structures. There are fewer firm transitions in foundation-owned companies, managers are less frequently replaced, management turnover is lower, their capital structures are more conservative, and business decisions appear to be more long-term. In foundation-owned companies, a bigger part of the profit is reinvested in research and development; because of this, there is more innovation. Next to that, employees experience higher job security, better representation in corporate governance, and fairer pay. Because of this, productivity and social cohesion are higher (Kuhn & Thomsen, 2015). Borsting and Thomsen (2017) add that foundation-owned companies have better reputations and are regarded as more socially responsible incorporate image ratings. Herrmann and Franke (2003) also mention that foundation owned firms compared to listed corporations in Germany have a slightly better performance. Thomsen (1999) found that foundation-owned companies' economic performance is no worse or even slightly better in profitability and growth than companies with more common ownership structures. Thomsen and Rose (2004) present evidence that a sample of foundation-owned companies is as efficient as other owning structured companies based on the Copenhagen Stock Exchange data.

The short-termism problem

One of the most mentioned advantages of Steward Ownership is the long-term orientation the structure provides. The structure is promised to solve the short-term orientation on profit, especially by shareholders. The risk of a short-term orientation is described by Sampson and Shi (2016). The researchers found out that investors in the US public market have become increasingly short-term oriented in the past thirty years. In private equity-owned firms and non-listed firms, there is less short term orientation. However, the researchers describe that these firms will often become public when they want to finance high growth-oriented projects. Wilson and Silva (2013) described that private (equity owned) firms constantly focus on their exit, so short-termism is a possible future risk. This shift towards short-termism is a result of corporate governance-related issues like takeover threats of external buyers (Asker, Farre-Mensa & Ljungqvist, 2015), financial reports (Kim, Su & Zhu, 2017), incentive pay (Bhagat & Bolton, 2014, Bolton, Scheinkman & Xiong, 2006, Ladika & Sautner, 2014), share analysts (DesJardine, 2015), managerial turnover (Kaplan & Minton, 2012), and stock market fluctuations (Cremers, Pareek & Sautner, 2013). Short-term orientation results in market discounting, less financial slack, less spending on capital, less spending on R&D, and greater analyst coverage (Sampson & Shi, 2016). Market valuations that are focussed more on a shorter time period than a longer term are negatively correlated with future capital investments. Steward Ownership might prevent the short-termism risk because Sampson and Shi (2016) found out that the type of investor influences the short- or long-term orientation. Mayer (2013) adds that shareholders with a long-term commitment have the power and incentives to consider their behaviour's long-run effects, including their decisions in governance structures. This results from the fact that they are more likely to face the consequences of their actions. Therefore, by changing the company's ownership structure, a company can fix some short-term orientation problems.

The disadvantages

Thomsen (2018) mentions a weakness of foundation ownership. Namely, the fact that foundation-owned companies may be subject to governance weaknesses. These weaknesses could reduce the efficiency of foundation-owned companies. The reduction of shareholder activism and a profit motive can lead to less focus on cost efficiency. Next to this, removing the profit motive might have advantages, but Borsting and Thomsen (2017) also found that it comes with the cost of having more difficulty with attracting outside capital. According to the researchers, it is different for every company whether the advantages outweigh the disadvantages.

To conclude, some advantages and disadvantages of Steward Ownership are described in the literature. However, this research will investigate if these advantages and disadvantages occur. A significant limitation of the current foundation ownership literature is that the disadvantages are poorly mentioned in these articles, for instance, in the articles of Thomsen. This research will therefore look for disadvantages in corporate governance literature. This research will look into the benefits and disadvantages of Steward Ownership to provide founders and managers with arguments to implement or not to implement the structure into their company.

Corporate Governance theory

Corporate governance is defined as the system by which companies are directed and controlled (Cadbury, 1992). This research will use the definition that corporate governance is the control and direction of companies by ownership, boards, incentives, company law, and other mechanisms (Thomsen & Conyon, 2012). As described, Steward Ownership is a way of legally structuring ownership to keep control inside the company and protect that profits serve the company's mission and not end up in investors' hands (Purpose Foundation, 2018). It is an ownership structure for arranging corporate governance principles. Ownership is a set of rights and obligations concerning assets as users, profit, disposal, and control rights (Thomsen & Conyon, 2012). Bhagat and Bolton (2008) verified that corporate governance influences firm performance. Corporate governance is, therefore, an essential part of companies. In corporate governance literature, papers are available that mention arguments that could be seen as disadvantages of the model and therefore, Steward Ownership might not be as promising as the literature above shows (Wasserman, 2017; Filatotchev & Dotsenko, 2015; Buchanan, Netter & Yang, 2010; Bouaziz, Fakhfakh & Jarboui, 2020; Brav, Jiang, Partnoy & Thomas, 2008; Greenwood & Schor, 2009; Klein & Zur, 2009; Manzanquea, Merinob & Priegoa, 2016; Draheim, 2016; Boeker & Karichalil, 2002; Hambrick & Crozier, 1985; Wilson & Silva, 2013; Berger & Udell, 1998; Borsting & Thomsen, 2017; Hansmann & Thomsen, 2013; Singh et al., 2005). All the mentioned references make statements that should be disadvantages for steward-owned companies.

Value and performance: shareholder activism versus firm value

In Steward Ownership literature, the influence of the model on firm value and performance was mixed, therefore, in corporate governance literature more attention was given to this subject. Of course, this subject is also important for an entrepreneur or owner in determining if Steward Ownership is suitable for their company. In corporate governance literature, multiple arguments were found that describe an effect of a Steward Ownership characteristic on the value and performance of a company.

First, in Steward-owned companies, shareholders get financial rights but no control rights. A trend that goes against this is described by Filatotchev and Dotsenko (2015). Investors who try to trigger corporate change and intervene in management decisions have become common. It is called shareholder activism. This trend of the increasing shareholders' willingness to become proactive activists can be shown with the increasing number of shareholder proposals filled in the US. Buchanan, Netter and Yang (2010) mention that shareholder influence has increased in recent years, especially in the US. Filatotchev and

Dotsenko (2015) found out that shareholder activism in the forms of shareholder proposals about demands, board members and strategy and especially by hedge funds leads to an increase of the company's market value. Bouaziz, Fakhfakh and Jarboui (2020) found that shareholder activism existence positively affects the market performance. The researchers measured shareholder activism with the number of shareholder proposals. The researchers did not find that when the number of proposals increased, the market performance increased. However, the researchers found a minimum number of proposals that had a positive effect on market performance. Buchanan, Netter and Yang (2010) found that between 2000 and 2010, shareholders in the US got stronger influence, and they found that this stronger influence benefits companies. Namely, US shareholder proposals had a significant positive impact on CEO turnover, board structure and long term stock price performance (Buchanan, Netter & Yang, 2010). In short, the researchers found a correlation between shareholder activism and company performance. Brav, Jiang, Partnoy and Thomas (2008) add that hedge funds in the US that are active shareholders attain success or partial success in two-thirds of the cases. In this research, success is measured with firm performance and stock prices. They do this by proposing strategic, operational, and financial remedies. Firms targeted by active hedge funds have increased payouts, operating performance, and higher CEO turnover. Greenwood and Schor (2009) mention the large abnormal positive returns when hedge funds announce to be active shareholders. The researchers showed that these returns are largely explained by active shareholders' ability to force a firm into a takeover. Klein and Zur (2009) also mention that activism results in positive market reactions, positive returns, and a high success rate in achieving the shareholder's objectives. Manzaneequea, Merinob and Priegoa (2016) found that directors appointed by pressure-resistant institutional shareholders decrease the likelihood of business failure. The shareholders appoint directors when the firm is important to them or think they can prevent the firm from going into distress. Steward Ownership is an ownership structure in which the investor has no control rights. Shareholder activism is therefore completely switched off. According to the literature steward-owned companies then would miss the advantages of shareholder activism. In this research, it will be investigated if steward-owned companies miss the positive influences of active shareholders. The value and performance of steward-owned companies should be lower, according to the literature. If not, then how do steward-owned companies fill in the gap of active shareholders?

Value and performance: founder control versus firm value

Wasserman (2017) describes that the founder's vision and capabilities are key factors to achieve success in the early stage of a start-up. In these early stages, it is natural for the founder to have a powerful, central role. However, Wasserman (2017) found out that when the company grows, founders who keep too much control of the start-up and its most important decisions can harm the start-up's value. Founders that kept control by retaining a majority of the board or remaining as CEO have significantly lower valuations than companies where the founders have given up control, especially in start-ups that are more than three years old. The founder must choose between the start-up's value and the ability to retain control of decision making. In Steward-owned companies, ownership remains in the hands of the founders or eventually other insiders. The companies still try to achieve growth and financial gains. For instance, in the case of BuurtzorgT, the company wants to buy back the shares with economic rights that are now in the hands of the investor (Kiers, 2020). When this can be achieved all economic profits can be used only for achieving the company's mission. Growth is necessary to gain capital to buy back the ownership shares. So the company still tries to gain value, and the founders maintain ownership. In the model of Wasserman (2017), this would be an exception. This research will look into whether Steward Ownership can be the exception to achieve financial gains and keep control or that the firm's performance has been traded off. It might be the case that Wasserman is wrong because he did not research the influence of different ownership structures on his trade-off. It can also be that Steward Ownership is not that promising. Steward-owned companies might have lost value with their ownership structure.

		FINANCIAL GAINS	
		WELL BELOW POTENTIAL	CLOSE TO POTENTIAL
CONTROL OVER COMPANY	LITTLE	Failure	Rich
	COMPLETE	King	Exception

Figure 4: Trade-off king vs cash model (Wasserman, 2017)

Firm value and financial performance in steward-owned companies

Both the founder keeping control and the missing shareholder activism should lower the financial performance and value of steward-owned companies. However, according to Borsting and Thomsen (2017), the lacking governance mechanisms of profit incentives or takeover threats in foundation-owned firms seem to have no influence on the profitability and growth of the firms. The financial performance of foundation-owned companies is similar to other companies (Thomsen, 2017). However, Draheim (2016) mentions a bit lower financial performance of foundation-owned companies. He observed this by analysing the return on assets. So, in foundation ownership literature, it is not completely clear if the firm value of foundation-owned companies is worse, equal or better compared to other structured companies. Draheim (2016) also found lower volatility. So, foundation-owned firms are more risk-averse. The researcher concluded that foundation-owned firms are, despite a bit lower performance, viable. Hansmann and Thomsen (2013) also described that foundation-owned companies show a lower level of volatility on average in profitability measures. This indicates a lower level of taking business risks; they have lower leverage. Thomsen (1996) found a strong capital base, a higher equity ratio, and higher reserves in foundation-owned companies compared to general companies. Borsting et al. (2014) also mention the reduced likelihood of large losses. Thomsen (2017) adds that foundation-owned firms experience more normal, organic growth instead of sudden large growth. Hansmann and Thomsen (2013) also found lower growth rates in foundation-owned firms. The sales growth is smaller (Borsting et al., 2014). The costs of capital are higher for foundation-owned firms, but the costs of equity are lower. The articles of Borsting and Thomsen (2017), Thomsen (2017 & 1996), Draheim (2016), Hansmann and Thomsen (2013) and Borsting et al. (2014) are more positive about the financial performance and value of foundation-owned firms. There seems to be no difference in the performance and value of steward-owned companies and companies with other ownership structures. However, the articles are somewhat contradictory. This research will look more into the financial performance and value of steward-owned companies.

Capital needs

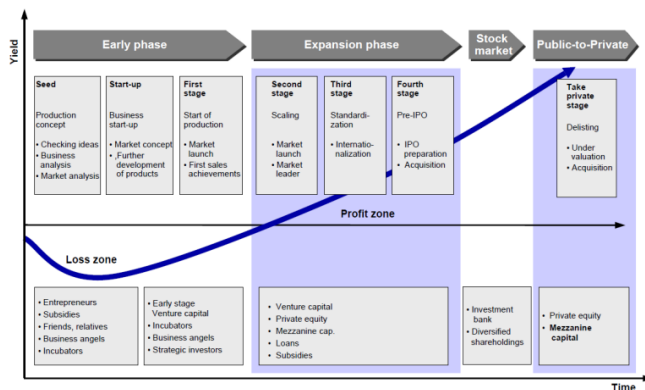


Figure 5: Business financing life cycle (Wilson & Silva, 2013)

The implementation of Steward Ownership is sometimes combined with a capital injection, for instance, in the case of BuurtzorgT (Kiers, 2020). For the determination of an ownership structure often the capital needs of the business need to be considered. Many researchers have described that firms evolve through a financial growth cycle. This concept is well established in the literature (Berger & Udell, 1998). However, steward-owned companies do not follow the stages of this cycle. In the first stages of a start-up, the firm is dependent mainly on insider finance from themselves, family, and friends (Wilson & Silva, 2013). In the following few stages, depending on the company's size and scope, entrepreneurs need external sources, such as business angels or venture capital. In the expansion phase of the company, venture capital and private equity are the main finance sources. Fast-growing companies that are very successful eventually become public with an IPO (Berger & Udell, 1998). Said in other words, the big winners in financial growth are usually those that are taken public. Wilson and Silva (2013) describe that when the first investment into a company is made, the company's exit plan should already be considered. Without an exit, venture capitalists, business angels, and private equity funds do not get their returns. The majority of exits are negative because of failure or bankruptcy. Sales to other investors are also a possibility. However, an IPO or trade sale is critical for high growth entrepreneurship. So, the literature states that successful businesses need an IPO, but steward-owned companies will never go to market. According to the literature, steward-owned companies can not continue with high growth without an IPO.

As already described, Borsting and Thomsen (2017) found that foundation ownership comes with the cost of having more difficulty with attracting outside capital. Hansmann and Thomsen (2013) found lower growth rates in foundation-owned firms. Thomsen (2017) described that foundation-owned companies grow more organic instead of suddenly fast. So it might be the case that steward-owned companies grow slower because of a capital limitation. The limitation might be small, and steward-owned companies could be satisfied with their growth strategy. This research will investigate if steward-owned companies can achieve high growth without an IPO or if the companies choose for slower growth. This will be investigated by looking at the growth of four Steward Ownership cases and by asking about the growth of steward-owned companies in interviews with Steward Ownership experts.

Leadership skills: founder control versus professional and managerial skills

Boeker and Karichalil (2002) described that founders need to let loose a firm's control. The researchers explain that firms that grow very rapidly need sets of managerial and professional skills that founders, in many cases not possess. Therefore, it is very likely that founders will exit the company in this stadium. The researchers found that the complexity of leadership increases when the number of employees increases. The relationship between firm growth and founder department is U-shaped. Also, in companies that grow very slow,

founders more often exit. Hambrick and Crozier (1985) found the same managing problems between the entrepreneurial and mature phases for fast-growing companies. Managing the transition between these phases is harder for firms that remained their initial founding team. Founders willingly departed or were replaced by an executive with firm experience. Firms that replaced at least some founders more easily evolved. The researchers believe that founder chief executives who can adapt to the company's size and diversity are exceptions. It is more realistic to bring in or develop an executive who extends and balances the founder. Based on these articles, steward-owned companies should experience negative effects because the founders are not replaced. In steward-owned companies, managerial and professional skills should be missing. However, it might be the case that steward-owned companies prevent this by adding executives to complement the founders. Hambrick and Crozier (1985) namely discovered that successful high growth firms brought in one or more senior-level executives to complement the owner-founder. This research will look into where Steward-owned companies find the right managerial and professional skills. Do the founders already need these skills, are executives added or are there other ways steward-owned companies become successful without replacing the founders? These questions will be answered based on a cross case analysis to investigate if this possible problem occurs in steward-owned companies or how the problem is prevented. Next to that, Steward Ownership advisors will be asked about their opinion of this possible problem.

Stakeholders: employee advantage in steward-owned companies

For an entrepreneur or owner it is important to know what effects implementing Steward Ownership has on the environment of their business and on the stakeholders. In contrast to the articles of Boeker and Karichalil (2002) and Hambrick and Crozier (1985), literature can be found that describe advantages of Steward Ownership about employees that might positively influence the presence of professional and managerial skills. Draheim (2016) observed that a lack of active shareholders strengthens other stakeholders, especially employees. He found more labour intensity in foundation-owned companies. Foundation-owned companies are larger in terms of employees and operating revenue compared to comparable family firms. The financing policy is more conservative; this is visible in lower leverage levels and lower payout ratios. This stabilises long-term existence, and therefore, employees have more job security. Borsting and Thomsen (2017) also found that foundation-owned firms have a more stable and long-term oriented working environment for employees compared to other ownership structured companies. This is shown by the fact that the total number of jobs is less volatile, the employee retention rates are higher, employees are paid better, and employees stay longer. In the financial crisis of 2008, the stability even increased. The researchers have two possible explanations for the higher salaries. It can be that foundation-owned firms have no obligation to shareholders to lower salaries. They want to be profitable, but slightly better payments do not need to be lowered at all costs. It can also be a strategy for the firms to pay more to have better educated, qualified, and talented employees to achieve long-term goals. Borsting et al. (2014) add that, on average, the separation rates of directors and executives are also lower in foundation-owned firms. Hansmann and Thomsen (2013) also describe that foundation ownership can be beneficial from an employees perspective. When employees experience higher job security, they will easier invest in firm-specific skills. Popadak (2013) found out that a more long-term vision and capital of the firm lead to a more productive corporate culture focusing on customer satisfaction, integrity, and collaboration. The long-term orientation of foundation-owned firms has a positive influence on trust and long-term contracts. In companies with foundation ownership, the fluctuation rate in management is 40% lower than in companies with dispersed ownership (Thomsen, 1999). Kuhn and Thomsen (2014) found that foundation ownership influences the demography of boards, executives, and employees. Members of boards in foundation-owned firms are better educated, older, and have more income. Managers in foundation-owned companies are also better educated and receive more income. The rest of the employees are also better educated, have longer tenure, get more income, and the share of women is higher. To conclude, these articles make missing

professional and managerial skills seem less likely. As described, this research will look into this.

Companies for which the model is suitable

In literature articles, not much is mentioned about for what type of companies Steward Ownership is interesting. In this short paragraph, the company characteristics that could be found in the literature that fit with Steward Ownership will be described.

Hansmann and Thomsen (2013) describe that the choice to become foundation-owned is strongly influenced by the key stakeholders. Steward Ownership is more suitable for companies when the model is, for instance, highly appreciated by customers or suppliers. This can be achieved when customers or suppliers know the company is genuinely focusing on achieving its mission. Then the customers or suppliers sometimes trust the company more and are more loyal to the company. So, if Steward Ownership is fitting for a company depends on the stakeholders of the company. Next to that, the foundations for foundation ownership are typically founded by entrepreneurs who want to secure their company's mission because they see this as their contribution to society. (Borsting & Thomsen, 2017). The choice for implementing Steward Ownership, in this case, depends on the founder of a company. Thomsen (2017) mentions that foundation ownership can be a solution for family firms facing succession problems that costs a lot of time and resources. Thomsen et al. (2018) described that Steward Ownership has many similarities with family ownership because family-owned businesses are similarly more long-term orientated. Family-owned companies have longer time horizons than investor-owned companies. However, foundation ownership has some characteristics that make the structure more long-term orientated than family ownership. This is, for instance, an effect of the difference that at foundation-owned companies, ownership remains with the foundation; in family businesses, new generations can sell their shares to cash. Foundations can not be dissolved as long as their purpose is still valid. Therefore, foundation-owned companies are almost immune to takeover threats. At last, Borsting and Thomsen (2017) mentioned that foundation ownership is not industry-specific.

Further in the literature, no specific company characteristics are mentioned that are fitting with Steward Ownership. To conclude, next to the limited number of articles writing about the advantages of Steward Ownership there is also a lack of information about for which company the structure is suitable. Therefore, this research will look into this matter.

Shareholder versus stakeholder thinking

Singh et al. (2005) describe that the shareholder wealth maximisation model today is triumphant. The model called the US model, in which liquid stock markets are used worldwide, has proven its benefits. In 1995 the model proved to be effective with the US's enormous economic growth compared to Japan and the EU, where they have different economic systems. However, stakeholder thinking or stakeholder theory has emerged (Parmar et al., 2010). This model can be the solution for understanding how value is created and traded, solving connecting ethics and capitalism, and helping managers think about management differently. Bottenberg, Tuschke, and Flickinger (2017) researched German firms more actively managing all stakeholders interests than in other countries. In Germany, stakeholder management is highly anchored in laws, rules, and norms. Jansson (2005) researched the stakeholder model's appliance and found out that giving stakeholders decision-making right is possible but are very much country-specific. This might explain why foundation ownership is most common in Northern Europe and specifically in Denmark (Thomsen et al., 2018). The Danish corporate governance system is also orientated towards protecting various stakeholders' rights (Rose & Mejer, 2003).

Thomsen (2014) described that the most direct explanation for the fact that foundation ownership is more common in Denmark than in other countries is that the structure was used to retain control of companies under the high tax pressure. In the 1970s and 1980s, the structure was interesting because founders and founding families could

escape taxations by placing ownership in a foundation. Later after the 1990s, tax regulations were changed, and foundation ownership became less popular. Thomsen (2014) mentions that this is not the only reason. Foundation ownership was also helpful in creating legitimacy for companies in Denmark that value economic equality; the companies want to divide money more equally to, for instance, employees and not only founders or investors become rich. The researcher mentions that successful businesses like Carlsberg implemented the structure and became role models for other companies to imitate them.

This research will look into the global orientation of Steward Ownership. Is it possible to implement the structure worldwide or in particular countries, especially with the stakeholder perspective? Two Steward Ownership experts will be asked about this, and in four cases, country-specific limitations during the implementation of Steward Ownership will be investigated.

Research question revisited

In the introduction, the following research question has been described: What is the added value of implementing the Steward Ownership structure into a company for the company and the owners of a company? Based on literature research, multiple research questions and hypothesis were developed to answer the main research question (dark blue). These questions (light blue) and hypotheses (grey) are summarised in figure 5.

1: What is Steward Ownership?
2: What are the benefits and disadvantages of Steward Ownership?
<i>H2.1: Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long term orientation</i>
<i>H2.2: Steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism</i>
<i>H2.3: Steward-owned companies can not achieve high growth because of lower available capital</i>
<i>H2.4: Steward Ownership has a positive effect on stakeholders</i>
<i>H2.5: Steward-owned companies miss professional and managerial skills</i>
3: For which companies is Steward Ownership a suitable ownership structure?
<i>H3: Every company can implement Steward Ownership</i>
4: Is Steward Ownership possible to implement only in countries with the stakeholder perspective?
<i>H4: Steward Ownership is better implementable in stakeholder-oriented countries</i>
What is the added value of implementing the Steward Ownership structure into a company for the company and the owners of a company?

Figure 6: an overview of the research questions and hypothesis

1: The definition

This research is written for owners of companies to decide whether Steward Ownership might be a suitable ownership structure for their company. To make this decision more substantiated, first, the definition of Steward Ownership was researched more. The question, 'What is Steward Ownership?' was investigated. It was researched if experts and cases would describe the same definition as in literature or if there are significant differences or additions.

2: Advantages and disadvantages

Before implementing the model, owners need to know what the advantages and disadvantages of the model are. The research question that is investigated is: 'What are the benefits and disadvantages of Steward Ownership for firms?'. This research question is still very broad. Five hypotheses were created to focus more on five different advantages and disadvantages areas.

2.1: The Steward Ownership principles

It was described that steward-owned companies have a purpose-driven long term orientation and are governed by internal people. These are the principles of Steward Ownership but are also mentioned as advantages of the model (Thomsen et al., 2018). The principles also lead to other possible advantages, such as longer survival, being more risk-averse, and investing more long-term. This research will investigate if the Steward Ownership principles lead to positive effects for steward-owned companies.

Hypothesis: Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long term orientation.

2.2: Value and performance

According to literature, steward-owned companies should have lower firm values and financial performances because of maintaining founder control (Wasserman, 2017) and missing shareholder activism (Filatotchev & Dotsenko, 2015; Bouaziz, Fakhfakh & Jarboui, 2020; Buchanan, Netter & Yang, 2010; Brav, Jiang, Partnoy & Thomas, 2008; Greenwood & Schor, 2009; Klein & Zur, 2009). This research will investigate if steward-owned companies achieve lower values and performance or if the negative effect of having founder control and no active shareholders do not exist or are prevented.

Hypothesis: Steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism.

2.3: Capital and growth

Because steward-owned companies do not sell shares to investors, less external capital is available (Borsting & Thomsen, 2017). When no IPO is used, high growth should not be possible (Wilson & Silva, 2013). Do steward-owned companies grow slower? Or do the companies find other sources to finance their growth?

Hypothesis: Steward-owned companies can not achieve high growth because of lower available capital.

2.4: Stakeholders

According to literature, Steward Ownership has a positive influence on employees (Draheim, 2016; Borsting & Thomsen, 2017; Borsting et al., 2014; Hansmann & Thomsen, 2013). For instance, employees experience more stability and have a more positive image of the company. It will be researched if Steward Ownership has a positive effect on employees, but it also seems likely that the model has an effect on other stakeholders; therefore, this research will investigate this.

Hypothesis: Steward Ownership has a positive effect on employees.

2.5: Missing professional and managerial skills

Boeker and Karichalil (2002), and Hambrick and Crozier (1985) described that founders have to let control of the firm loose because otherwise, firms would miss professional and managerial skills. Steward-owned companies might miss these skills, or the companies achieve the skills in other ways.

Hypothesis: Steward-owned companies miss professional and managerial skills.

3: Suitable companies

After the advantages and disadvantages, it is useful to know for owners if Steward Ownership is suitable for every type of company. For which companies is Steward Ownership a suitable ownership structure? In the literature, no company specifications were found. Therefore, the model seems implementable for every type of company. It will be investigated if this is true.

Hypothesis: Every company can implement Steward Ownership.

4: Geographical focus

At last, Steward Ownership is most common in Northern Europe, specifically in Denmark (Thomsen, Poulsen, Børsting & Kuhn, 2018). The reason behind this geographical focus is not completely clear. Is Steward Ownership possible to implement only in countries with the stakeholder perspective? The model is more implemented in stakeholder-oriented countries, for instance, in Europe, and more minor in shareholder countries, such as the US. It will be investigated if the geographical focus of Steward Ownership depends on the shareholder/stakeholder orientation of a country.

Hypothesis: Steward Ownership is better implementable in stakeholder-oriented countries.

Methodology

In this chapter the research methods will be described. It will be described what type of research is used, how data is collected, and how data is analysed. In figure 7 an overview of the used research methods can be found.

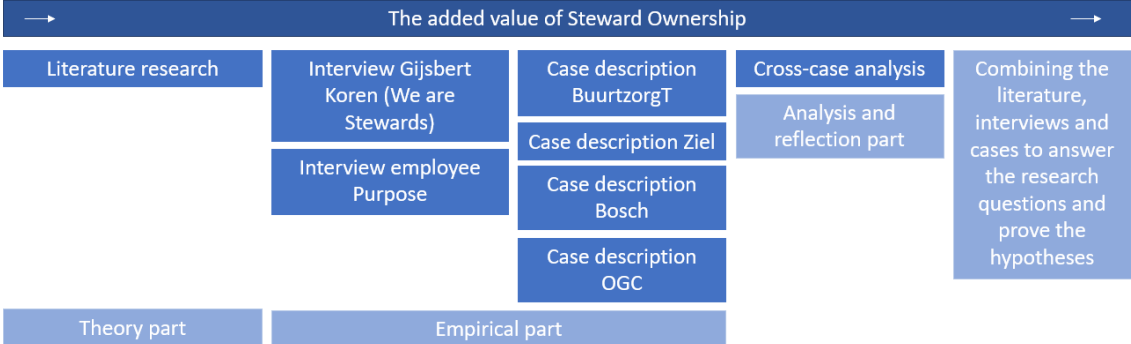


Figure 7: Research design

Theoretical part

To answer the research question, qualitative research has been conducted. Both primary and secondary data has been used. The research design is descriptive.

First of all, desk research has been done with an extensive literature review. This review can be found in the previous chapter. For this literature review, academic sources such as JSTOR, ScienceDirect, ResearchGate, and Scopus were used. As described, firstly, literature was searched and described that mentions Steward Ownership or similar terms such as foundation ownership or founder ownership. After that, corporate governance literature was searched and described that could be used as possible risks or disadvantages of implementing Steward Ownership. Then the literature was used to develop research questions. These research questions can be found in figure 5. In this chapter, it will be described how this research will answer the developed research questions.

Empirical part

After the literature review, the empirical research part started. Two interviews were executed to gain more in-depth knowledge about Steward Ownership. The interviews were used to validate the theoretical findings. The interviews were used to answer the research questions and to test the hypotheses. The interviews were semi-structured. This means that only a few questions were predetermined while the other questions were not planned before the interview. Two experts in the field of Steward Ownership were interviewed. The first expert was Gijsbert Koren, the founder of We are Stewards. We are Stewards is promoting Steward Ownership and advises about the model to entrepreneurs and investors. The second interview has been held with an employee of Purpose. Purpose is one of the leading parties in representing Steward Ownership. The two experts have much experience in the field of Steward Ownership. They are knowledgeable because they researched the model for several years and have many experiences from practice because they helped many companies on their ways to become steward-owned. The research questions and hypothesis were used to formulate questions for the interviews. These questions can be found in the appendix. Of course, the questions for the interviews were used as a guideline, but when more clarity was needed or an interesting subject occurred, other questions were asked. The whole interviews can also be found in the appendix.

After the expert interviews, case descriptions have been created of four different steward-owned companies. Cases were developed because they give concrete, contextual, in-depth knowledge about a specific real-world subject. It can be tested if mentioned aspects in the

literature and interviews appear in practice. So, also the cases were used to validate the theory and to test the hypotheses. A case description has been made of the following four companies:

- Bosch (Robert Bosch Foundation)
- BuurtzorgT
- Organically Grown Company
- Ziel (Zielwear)

Three of the four case descriptions were based on information from interviews with directors or founders of the companies. The questions for the interviews can be found in the appendix. The case of Bosch has been developed with open sources that can be found in the appendix.

The four companies were chosen based on the companies' different sizes, and the moments the companies implemented the Steward Ownership structure. BuurtzorgT implemented Steward Ownership in 2020, as a medium size company with fast growth (Kiers, 2020). OGC is described as a successful implementation of Steward Ownership (Purpose Foundation, 2018). OGC implemented the model in 2017 when they were a medium size company with stable growth. Bosch is one of the first companies to implement Steward Ownership, already in 1964. Zielwear implemented Steward Ownership recently, and they implemented it as a start-up (Mr, 2020). As a start-up, their scale was significantly different from the scale of, for instance, Bosch. The companies were also chosen because of the differences between the markets they are working in. At last, the four companies were also chosen from a practical standpoint, namely, the possibility to collect relevant data.

Company	Bosch	BuurtzorgT	OGC	Ziel
Market	Tech market	Healthcare market	Food market	Clothing market
Steward Ownership implementation year	1964	2020	2017	2015
Company phase when implementing	Full grown multinational	Medium sized company growing fast	Medium size company with stable growth	Start-up

To answer the research questions in the cases, the research questions were transformed into questions that could be answered for specific companies. First, to get an overall image of the company, a summary of the company was developed. This summary is also useful for comparing for what type of companies Steward Ownership is suitable.

Analysis and reflection part

A cross-case analysis has been conducted to examine themes, similarities, and differences across the cases. The cross-case analysis focusses on proving the hypotheses right or wrong. After the empirical part, the literature, interviews, and case analysis were combined to answer the research question in the conclusion and discussion. See figure 7 for an overview of the research design. To summarise, the theoretical part was literature research to find relevant information about Steward Ownership. This information was used to develop research questions for the empirical research. The empirical research exists from two interviews to gain more in-depth information. In the empirical research also four cases were researched to investigate the practical implementation of the model. The empirical part of the research was analysed and reflected to answer the research questions.

Research findings

In this chapter, the findings of this paper will be described. First the interviews with the Steward Ownership experts will be given. The complete interviews can be found in the appendix.

Empirical results

The interviews

The empirical results will start with the comparison of the interviews with Gijsbert Koren of We are Stewards and an employee of the Purpose Foundation. Gijsbert Koren is the founder and owner of We are Stewards. With this company he advises other companies about Steward Ownership. We are Stewards goal is to promote Steward Ownership in the Netherlands by supporting entrepreneurs and investors with advice about becoming steward-owned. The employee of the Purpose Foundation, not mentioned by name, is a project manager and researcher for the company. The Purpose Foundation is the non-profit organisation that researches and promotes Steward Ownership (Purpose Economy, 2021). Purpose helps businesses and entrepreneurs on their path towards Steward Ownership by providing knowledge, resources, and capital. The investment branch of Purpose is split of company named Purpose Evergreen Capital. Purpose is one of the leading parties in representing the model by sharing information about the model online, in books, on events and in consultations with companies. Purpose and We are Stewards are both interested in this research.

What is Steward Ownership?

The two experts were asked to give their definition of Steward Ownership. The interviews were entirely in line with the definition described in theory. The experts add that the key element of Steward Ownership is that the company and the purpose of the company are standing at the central point.

A little background information was given about the origin of the definition. Purpose has developed the definition of the model in 2017, for a model that was already used in a few companies but not yet understood by many people. The founders of Purpose realised that the way we think about corporate ownership and how it is structured in companies is relevant for companies. The founders looked at multiple companies of which they thought had excellent long term orientation. When investigating these companies, the founders of Purpose found the two principles of Steward Ownership. The principles are profits serve purpose and self-governance. Koren and the Purpose employee explain that Steward Ownership means that the company and the purpose of the company are standing at the central point. Steward-owned companies want to continue to exist, and the stewards manage the company on this behalf. Profits are therefore reinvested in the company to achieve the mission. Both experts mention that Foundation Ownership, mentioned in literature, especially by Steen Thomsen, is a form of Steward Ownership in Denmark. In other countries, foundation laws can be different and determine that foundations can not own companies and then other legal structures are needed. A steward-owned company should mention in its statutes that the company can not be sold, that a responsible owner will guarantee the company's continuity, and that earned money will be used wisely for the company's purpose. The definition developed by Purpose is used by other instances, such as We are Stewards, but primarily only by non-academic sources. Literature research where the definition is used is rare.

What are the benefits and disadvantages of Steward Ownership for firms?

When asked about the advantages of Steward Ownership, both experts described that the advantages of foundation ownership, described in the literature by Thomsen, can be projected on Steward Ownership because foundation ownership is an ownership structure that meets all Steward Ownership principles. The experts made an addition to all the below-described advantages and disadvantages. The experts mention that every company interested in Steward Ownership should look at the described advantages and disadvantages and estimate for themselves if they might occur in their company.

H2.1: Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long-term orientation

It is not a surprise that the expert's interviews are in line with this hypothesis because the principles of Steward Ownership are developed by Purpose and used by We are Stewards. Koren and the employee of Purpose both describe self-governance and a purpose-driven long-term orientation as the basis of Steward Ownership and advantages. The experts describe keeping profits inside the organisation also as one of the principles of the model. The principles lead to other benefits, like longer survival, long-term investments, and increased resilience and stability. This aligns with the theory of Thomsen et al. (2018).

According to the Purpose employee, internal governance is an advantage because the values of the company and the entrepreneur are protected. No external owner can compromise the values by choosing other goals, such as profit. The expert described internal governance also as prevention from an external sale, which is an advantage because this prevention leads to ownership stability. According to the experts, self-governance, and a purpose-driven long-term orientation, lead to other advantages such as a long-term vision, longer survival, and more money for employees, development, R&D, and innovation. It can be stated that the expert's opinions are most in line with the research of Thomsen et al. (2018), which also mentioned the long-term orientation and ownership stability as advantages of foundation ownership. The longer survival and long-term investments were also mentioned in the literature. The experts added an advantage that should be placed next to internal governance and the orientation, namely, keeping profits inside the company, also called profits serve purpose. Koren added that the advantage of letting profits inside a company is often well understood by entrepreneurs because they understand that if you let money inside the company, the company becomes more resilient and stable. According to observations from the Purpose employee, this was clearly visible in the corona crisis; steward-owned companies had great financial performances; because they had more equity to fall back on.

H2.2: Steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism

The hypothesis can not be proven right or wrong based on the interviews. However, it can be stated that Koren and the Purpose employee believe that steward-owned companies financially perform at least equal to other structured companies. The experts believe in growth and good firm values. This is positively influenced by the fact that steward-owned companies are more stable. This belief is in line with literature from Borsting and Thomsen (2017) but a contradiction with literature from Draheim (2016), who found lower financial performance in steward-owned companies. Despite the belief in good performances and values, the experts agree that lower efficiency is a danger for steward-owned companies that can undermine the value and performance. This was also described by Thomsen (2018). However, this disadvantage and also missing shareholder activism is probably prevented in steward-owned companies because the value and performances seem not to be harmed. When missing active shareholders can become a problem, it can be prevented by regulating governance so that the stewards, boards, investors, and other stakeholders can act as shareholders, so intervene in bad times and give advice. At last, the model Wasserman

(2017) can be projected on steward-owned companies because implementing Steward Ownership and maintaining internal control is financially less beneficial, but only for the founders of a company and not for the company itself.

According to literature, founder control, not going to market, and no active shareholders should negatively influence the performance and value ((Bouaziz, Fakhfakh & Jarboui, 2020; Brav, Jiang, Partnoy & Thomas, 2008; Buchanan, Netter & Yang, 2010; Filatotchev & Dotsenko, 2015; Greenwood & Schor, 2009; Klein & Zur, 2009, Wasserman, 2017; Wilson & Silva, 2013). The experts do not agree with these arguments. Koren mentioned that steward-owned companies perform well because he knows many examples of steward-owned companies that perform excellently. The Purpose employee believes that the financial performance of steward-owned companies is similar to other companies. Purpose has data on the financial performance of steward-owned companies in Germany, which looks very well for most companies, and mediocre for others.

Despite the fact that, the experts believe missing shareholder activism does not lead to lower firm values and performances, there is still a disadvantage for steward-owned companies that the experts acknowledge, namely, the fact that steward-owned companies could experience having lower work productivity and being less efficient. This was also described in the literature (Thomsen, 2018). In the words of Koren, "steward-owned companies sometimes doze off". According to Koren, this disadvantage can be solved by being aware of it and making sure people are motivated in other ways. Less productivity and efficiency seem like a possible effect of missing active shareholders, but because value and performance are believed not to be worse, it might be possible for steward-owned companies to solve this problem. This was also believed by the experts who mentioned that the activities of active shareholders, such as making adjustments, intervening, and having the best interest in a company, are not only possible to do when there is a financial motive. In some organisations, shareholders act like external advisors. This role can be important, but this is implementable in different ways. Investors can give opinions and advice without voting rights when there are no investors, other people, who are connected to the firm but are not actively involved, whose opinions the entrepreneur values, can advise. Most of the bigger steward-owned companies have this kind of advisory boards. So, decision-making and intervening in steward-owned companies can be regulated in different ways. Koren has many experiences with companies where this has been regulated perfectly, and missing shareholder activism does not form any problem.

In the model of Wasserman (2017), it was described that founders could only choose between maintaining control and low financial gains or giving away control and receiving high financial gains. However, it seems that steward-owned companies financially perform equal to companies with other ownership structures. So, based on this, it can be concluded that the financial gains of the organisation did not become lower because of founder control. However, the experts agreed that when a company wants to become steward-owned, the entrepreneur must renounce that they want a part of the profit or value of their organisation. When entrepreneurs want to become rich and make an exit, Steward Ownership is not a suitable model for them. So, it can be concluded this model of Wasserman applies to steward-owned companies but only when the low financial gains are personal financial gains for the entrepreneur.

H2.3: Steward-owned companies can not achieve high growth because of lower available capital

The experts agree with Borsting and Thomsen (2017) that steward-owned companies experience more difficulties with attracting capital. However, the companies can determine in advance what their growth strategy will be and whether the steward ownership structure is appropriate, and whether sufficient capital can be obtained for this. According to the experts, high growth is perfectly possible, but maybe a bit less common and more difficult because of the lower capital availability. This could be the reason for the more organic growth described by Thomsen (2017). However, growth barriers can be prevented by finding mission-aligned investors.

According to the experts, it is correct that steward-owned companies have more difficulties finding capital, which is in line with the article of Borsting and Thomsen (2017). The experts think that currently, many investors invest with the idea that money equals power, and they do not want to change that or do not know it is possible. If the lower availability of capital has an effect on the growth of a steward-owned company is, according to the experts, different for every company because it depends on company-specific targeted growth and capital needs. First of all, the Purpose employee explained that Steward Ownership is not always combined with finding capital. It is a way of structuring the ownership of a company, and a company can find aligned financing with it. Next to that, there is no negative effect of having no IPO when companies have no or a low capital need. The experts believe that high growth is possible because they have seen many steward-owned start-ups that grew fast. This is a contradiction with Wilson and Silva (2013), who described an IPO as necessary for high growth. Next to that, when a company chooses to become steward-owned, it will often be satisfied with the growth because it chose a more sustainable strategy. This is in line with Thomsen (2017) and Hansmann and Thomsen (2013), who found more organic growth instead of suddenly fast growth. Koren believes that capital availability can limit the growth in some specific steward-owned companies with high capital needs. Then Steward Ownership is sometimes less suitable. However, Koren believes that there are always options to achieve the growth a company wants within the Steward Ownership structure. The best option is to find mission-aligned investors. The Purpose researcher and Koren explained that steward-owned companies should not want to work with investors with a mindset on power and who want to influence the mission. To conclude, it is possible to achieve targeted growth rates, so the experts do not agree with the theory that described lower growth rates, and growth barriers like no IPO.

H2.4: Steward Ownership has a positive effect on stakeholders

According to the experts, Steward Ownership has a positive effect on stakeholder relationships. In literature, it could be found that Steward Ownership has a positive effect on one group of stakeholders, the employees (Draheim, 2016; Borsting & Thomsen, 2017; Borsting et al., 2014; Hansmann & Thomsen, 2013). From the interviews, it can be concluded that Steward Ownership has a positive effect on multiple stakeholders, mainly because the model gives a positive signal to these stakeholders. The Purpose researcher named this advantage the signalling effect because the model signals to stakeholders that the company will stay independent, and the orientation will remain on the purpose. This signal works on employees, customers, and business partners. Relationships with business partners are more trust-based and often longer. Collaborations more often start because there is no risk for the partner that the company will be sold. Employees realise they are not working for a shareholder but for a purpose, which changes the way they think about a company and the way they identify themselves with the company. It changes their motivation and makes them more productive. Koren did not give this advantage the same name, but he mentioned that employees like to work for a company that is not owned by shareholders but is entirely focused on the mission. He also mentioned the better image customers and business partners have of steward-owned companies. This better reputation was also described by Borsting and Thomsen (2017).

H2.5: Steward-owned companies miss professional and managerial skills

According to the experts, the possible risk of missing professional and managerial skills is not specifically applicable to steward-owned companies. When missing professional and managerial skills becomes a problem, governance solutions can help prevent them from missing. So, the experts do not agree with the hypothesis and they contradict the theory of Boeker and Karichalil (2002), and Hambrick and Crozier (1985).

According to Boeker and Karichalil (2002) and Hambrick and Crozier (1985), professional and managerial skills should be missing when a founder maintains control. Both experts do not agree because they believe that missing professional and managerial skills

are very individual determined per company. For example, the experts have seen steward-owned companies that entrepreneurs founded with enough professional and managerial skills because they founded more businesses and gained the skills through experience. Also, founders sometimes experience that their company is missing the skills, and they hire new managers. The experts mentioned that good governance solutions could prevent the skills are missed. For instance, with good governance, a team with good managers and directors can be set up around the stewards, and leaders with missing skills can be sent away. So, when the skills could be lacking, there are many solutions.

Newly added advantages and disadvantages

The experts were asked if they knew additional advantages or disadvantages of Steward Ownership. Two disadvantages were described by both experts that were not mentioned in any literature but that seem to have a significant impact on steward-owned companies. The first one is that steward-owned companies sometimes experience difficulties with finding successors. In steward-owned companies, stewards manage the firm. Very often, in the first phase, these are the founders. Eventually, new stewards have to take over this role. However, the potential successors need to want to become entrepreneurs, and they need to be intrinsically motivated, not by profits. These successors are often hard to find. Secondly, implementing Steward Ownership gives a competitive disadvantage. Steward-owned companies need to spend more time, money, and resources to maintain their legal structure than other more familiar structured companies. Not many companies have implemented the structure, so you have to pioneer a bit. Next to having no examples, the current rules and legislation are a constraint on the model. The competitive disadvantage is described by both experts as a large disadvantage that is important to discuss with managers and owners of companies who are willing to implement Steward Ownership. It is a competitive disadvantage because competitors with other more common ownership structures do not face these difficulties.

For which companies is Steward Ownership a suitable ownership structure?

H3: Every company can implement Steward Ownership

The experts agree with the theory that there are no company specifications that need to be fulfilled to become steward-owned. The experts are aligned with the hypothesis: 'every company can implement Steward Ownership ". The experts add that there is interest in the ownership model mainly from three types of companies, start-ups, family businesses, and social value-driven companies. Next to that, the expert mentioned that companies with concentrated ownership that are not focused on profits, have low capital needs, have a high certainty about future income, and have a mission focused on the long-term fit better with Steward Ownership.

There is no specific company phase in which Steward Ownership can best be implemented. The structure can be implemented from the start-up phase to the fully-grown company phase. Koren added that sometimes the start-up phase is a bit easier for the entrepreneur because he or she gives less personal financial benefits away. The interest from family businesses is in line with what Thomsen et al. (2018) described. Family businesses have many similarities with Steward Ownership, and when there is no longer a successor in the family, it is logical to find someone who can lead the company with the family's values. Social value-driven companies build their business models on value. They want to have an ownership structure aligned with the corporate culture and corporate philosophy and ideas. Because the value is essential for the companies, they are often from industries like the organic food sector and health sector, but this is not necessary. This is in line with Borsting and Thomsen (2017), who also mentioned that the ownership structure is not industry-specific.

To determine if Steward Ownership is a fit for a company, the Purpose employee and Koren have conversations with entrepreneurs in which some business characteristics are discussed. The experts found out that when companies meet the following characteristics, they often fit better with Steward Ownership. First is the concentration of the ownership. The more shareholders a company has, the more difficult it is to implement Steward Ownership because more capital is needed to buy back all shares. When shareholders with control rights do not want to transition to Steward Ownership, implementation becomes impossible. Secondly, it is better that the entrepreneur and the company are not focused on profits. Thirdly, it is harder to become steward-owned for firms with high capital needs or firms that have high uncertainty about their future income. High capital needs are more difficult because there is less capital available for firms that do not sell ownership. The fourth point is the company's mission. The mission can be anything, but the entrepreneur must want to protect this mission for the long term. Because of this, the mission is often focused on sustainability.

Is Steward Ownership possible to implement only in countries with the stakeholder perspective?

H4: Steward Ownership is better implementable in stakeholder-oriented countries

According to the experts, there are differences in the ability to implement Steward Ownership between countries. However, the shareholder or stakeholder orientation of these countries can influence this geographical focus, but this influence is not significantly large and certainly not the only factor. There are many more reasons like laws and regulations, freedom of entrepreneurial activity, attention given to the model, currently used ownership structures, and currently available examples of implementations. So, the experts do not agree with the hypothesis that 'Steward Ownership is better implementable in stakeholder-oriented countries'.

The Purpose employee explained that in countries where freedom of entrepreneurial activity is low, implementing Steward Ownership is difficult. The geographical focus also has to do with the current ownership structures of companies. For instance, in Germany, many family businesses are interested. More attention to the model and successful examples of companies that implemented the model in a country also gives a boost to the model. Next to that, the employee of Purpose believes that laws and regulations have a significant influence. For instance, there is interest in the model in France, but there is currently no legal structure found that makes the model implementable. Stakeholder and shareholder orientation could affect the geographical focus. However, this effect is not easily classified as negative or positive. There are fewer examples of companies that implemented the model in more shareholder-oriented countries, so implementation is more complicated. However, in these countries, the old ownership system might have shown its flaws, so companies might have more interest in implementing it. Koren also mentions that the geographical focus can have multiple reasons. According to Koren, rules and legislation have an influence. In these rules and legislation, tax benefits also determine attractiveness. Other ownership structures used in countries also have an influence. Koren adds that the model becomes more accessible because the number of examples is rising, but it will take time for cultural awareness about the model will rise.

Hypotheses	Accepted or rejected by the interviews
H2.1: Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long term orientation	Accepted
H2.2: Steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism	Mostly rejected
H2.3: Steward-owned companies can not achieve high growth because of lower available capital	Rejected
H2.4: Steward Ownership has a positive effect on stakeholders	Accepted
H2.5: Steward-owned companies miss professional and managerial skills	Rejected
H3: Every company can implement Steward Ownership	Accepted
H4: Steward Ownership is better implementable in stakeholder-oriented countries	Rejected

Table 1: An overview of the accepted and rejected hypotheses by the interviews

The above table gives an overview of all hypotheses and if the expert interviews accepted or rejected them. It was not always possible to make a clear acceptance or rejection. This overview is an oversimplification, so its reasoning, described above, must be considered.

Case descriptions

Below, the case descriptions will be given that describe Steward Ownership at four different companies. The case descriptions are based on interviews that can be found in the appendix and online sources that can be found in the non-literature reference list.

Case 1: Steward Ownership at Bosch

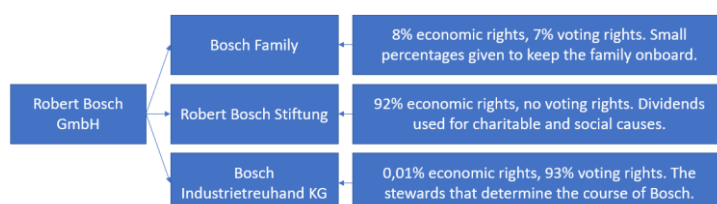
The Robert Bosch Stiftung, or the Bosch Group, was founded in 1886 by Robert Bosch in Stuttgart, Germany. The organisation is a leading global supplier of technology and services. The organisation's operations are divided into mobility solutions, industrial technology, consumer goods, and energy and building technology. The products can be found in almost every car, home, and smart device worldwide. Bosch's mission is to develop products that are invented for life, spark enthusiasm, improve quality of life, and help conserve natural resources.

Why was Steward Ownership a suitable structure for Bosch?

The founder Robert Bosch saw his company as his life's work, and he wanted to protect the company. To do this, first Robert Bosch, set up a structure in which seven directors owned 49 of the shares. This structure did not provide long-term stability. After that, an LLC that did not publicly sell its shares was used. However, Bosch, before implementing Steward Ownership, can best be described as a family business that faced succession problems. Robert Bosch wanted to make sure that internal strife in his family after his death would not affect his company. Therefore, before he died in 1942, he made a will with three possible future ownership structures for the company that a group of executors could implement when necessary. In his will, Robert Bosch described that he wants the company to be maintained very well, from generation to generation, as far as possible, and keep economic independence, business autonomy, and the ability to determine the best strategy. Business is more important than family, so when no suitable successor could be found in the family, professional managers should take over the lead. The executors decided that the trust-foundation model outlined in the will was the best structure to ensure the long-term success of the firm and the wishes of Robert Bosch. This structure was implemented in 1964, and since then, the company can be called steward-owned. The company has been converted from a family business to a social enterprise.

How is Steward Ownership implemented at Bosch?

The company's structure works as following: voting and economic rights are separated into two share classes. The Robert Bosch Foundation holds 92 per cent of the economic rights, and the Bosch family holds the other 8 per cent. The foundation uses the dividends for charitable and social causes. Ten stewards hold 93 per cent of the shares with voting rights. The name of this steward group is the Industrietreuhand KG. These shares cannot be sold, and the stewards pass their shares to new stewards when they shift. This shift takes place every five years. The stewards are responsible for the success of the company and for protecting the mission. The stewards are people who are connected and committed to the firm's mission and culture. The stewards decide when dividends are distributed to the foundation. The Bosch family holds 7 per cent of voting rights; with this share, they have no significant influence on the firm's operation. The foundation and stewards can prevent each other from selling shares.



What are the benefits and disadvantages of Steward Ownership for Bosch?

The structure gives entrepreneurial freedom, maintains a link with the Bosch family, and uses dividends for charitable and social causes. The structure protects the company from striving for maximum profit over long-term success, employee conditions, or environmental impact. The entrepreneurial and innovative humanist mission is protected. Also, a sale to external investors is prevented. The foundation makes big contributions to charities. The primary purpose of the foundation is to support public health care. However, other purposes were added over time like international understanding, welfare, education, arts and culture, research and teaching in the humanities, social sciences, and natural sciences. Bosch has adopted making a positive impact on society in their corporate culture and in their ownership structure. This charitable performance positively influences Bosch's branding, recruitment, and employee retention. The model therefore seems to positively impact stakeholders. As described, Bosch is an international leader in industrial and technological innovation. With its long-term perspective, the company always has invested heavily in R&D without the pressure of providing reports and valuations for external investors. Sometimes investments lowered the short-term profitability but gave a long-term market advantage, for instance, the investment in green technologies before they became a trend. A former CEO of Bosch said that they could have never invested so much with a shareholder-owned public company. The current structure gives Bosch a competitive advantage of patience in its long-term decision making. In the available sources, no disadvantages could be found.

Advantages	
Economic independence	Principles
Entrepreneurial and innovative humanist mission is protected	
Business autonomy / entrepreneurial freedom	Internal control
Big contribution to charitable and social causes	
Competitive advantage with innovation by heavily investing in R&D	

Remarkably, the advantages of Steward Ownership that could be found for Bosch, mission protection, and economic and entrepreneurial independence are closely linked to the principles of Steward Ownership, internal governance and a purpose-driven long-term orientation. But also, the money available for R&D and social causes is tied because this money is protected in the ownership structure to be used for the purpose of Bosch, which is investing in innovation and social causes.

Is Bosch successful in their financial performance, and do they achieve high firm value?

Bosch now has 440 subsidiaries and regional companies in about 60 countries and has almost 400 thousand employees. The company achieved a revenue of 78 billion euro, a profit of 4 billion euro, and invested more than 100 billion euro in charities. Comparing Bosch's financials with competitors is difficult because Bosch is a private company. However, from the financial report it could be calculated that the return on assets of Bosch is 2.34%. Compared with Siemens 3,55%, Continental -2,83%, Honeywell 10,45%, and Whirlpool 6,16%, it can be concluded that Bosch performs a bit below average. On the other hand, in 2009, Bosch's revenue was 38 billion, which grew within ten years to 78 billion euros. On the long term, Bosch seems to have perform well enough to survive and keep growing but on the more short term, when looking at the ROA, Bosch is performing below average.

It is not clear what the numbers would have been if Bosch would have another ownership structure. However, the ownership structure of Bosch might explain lower profits but stable long term growth.

How does Bosch counter the negative effects of founder control, not going to market, and no shareholder activism?

As described, instead of the founder and founders family Bosch is now managed by professional managers. Therefore, founder control can have no negative effect. Bosch has never given out public shares. The growth of Bosch explained above is financed with equity. It seems that Bosch has enough capital available to grow and that the company is not influenced by not going to market. If shareholder activism is missing is not completely clear, but experienced stewards determine the strategy of the company, and the family and foundation can give advice, so probably not.

Does Bosch miss professional and managerial skills, or is this prevented?

Ten stewards determine the strategy of Bosch. Stewards are defined as people who are close to the company's mission, have the responsibility for the company's development, hold formal voting rights, and have no incentive for profit maximisation. Four stewards are current or former Bosch executives; the other six are external business professionals familiar with the business and an outside perspective. Currently, this group exists of the former head of UBS Bank, the CEO of BASF. It can be stated that all stewards are highly experienced. Two stewards are also managing partners. At Bosch, the founding family has let go of its control. Instead, professional managers with experience are now leading the firm. Missing professional and managerial skills are no problem at Bosch.

In the available sources, no country-specific influences could be found. It is also not known if Bosch would suggest the structure to other companies.

Case 2: Steward Ownership at BuurtzorgT

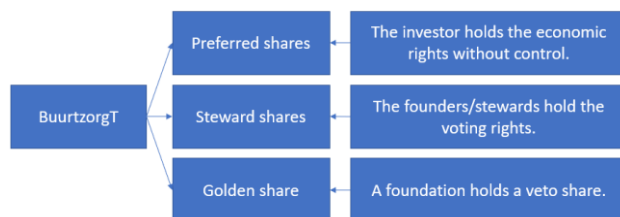
BuurtzorgT is a mental healthcare organisation started in 2013 in Almere, the Netherlands. Jos de Blok and Nico Moleman founded the company. BuurtzorgT uses self-managing teams consisting of different healthcare professionals to provide specialist mental health care to people with psychiatric and social problems. The care is given in the environment of the clients, at home. It is the companies mission to provide the best care possible.

Why was Steward Ownership a suitable structure for BuurtzorgT?

BuurtzorgT is the fastest growing mental healthcare organisation in the Netherlands. The organisation grew from 3 to over 40 teams. In 2019, BuurtzorgT had a revenue of 13,1 million euros. In mental healthcare, market companies get paid when the treatment of a patient is finished. This payment method, together with the fast grow caused a chronic shortage of working capital. To finance the growth, capital was needed. A bank could not lend enough money, but there were many other investment opportunities. For the company, private equity funds focus too much on maximising profits to earn money, if possible, in only a few years. Selling BuurtzorgT's shares to such a fund would be easy and financially beneficial for the shareholders. However, BuurtzorgT wanted to protect its mission and vision. Therefore, BuurtzorgT decided to look for other types of investors. BuurtzorgT spoke with different parties in the investment market, and they were introduced to Purpose via their network, who introduced BuurtzorgT with Steward Ownership. Eventually, BuurtzorgT was convinced and became steward-owned in 2020. So, BuurtzorgT was looking for a temporary capital injection. With Steward Ownership, they found an ownership structure that made it possible to find an investor that invested in the mission and not for maximising profits.

How is Steward Ownership implemented at BuurtzorgT?

BuurtzorgT first bought back the shares of the founders, who were the only owners. Then, three types of shares were created. The stewards got shares with control rights that are only 1 cent. The stewards are now the two founders. The stewards must be people from the organisation; they will protect the mission and vision. Purpose Evergreen Capital, the investor, bought new shares with only dividend rights, no control rights. These shares are called preferred shares. Purpose can only sell the shares to BuurtzorgT. BuurtzorgT will grow in the following years, and eventually, the organisation will have enough capital to buy back the shares for the nominal price, the same price for which they were sold. When BuurtzorgT buys back these shares, the foundation becomes the full owner of the company. Purpose does not make a profit by having the shares. Profits remain inside the company and are reinvested into achieving the companies purpose. For buying BuurtzorgT's shares and providing capital, they made a deal about a set dividend percentage of 10 per cent that they will pay to Purpose. It is like the interest of a long-term loan. Next to these shares, BuurtzorgT created a veto share, also called the golden share. This share is held by a foundation created by Purpose, who manages all veto rights of different steward-owned companies. With this share, they can only intervene when one of the seven fundamental rules are broken. These rules all touch on the mission and the vision or self-enrichment.



What are the benefits and disadvantages of Steward Ownership for BuurtzorgT?

Protecting the identity, the DNA of BuurtzorgT was the advantage of Steward Ownership that made BuurtzorgT implement the structure. The investor has no profit motive, and they do not look over the companies shoulders. The most important part of the structure is that control and ownership are separated. BuurtzorgT is the first healthcare organisation in the Netherlands and maybe even in the world that implemented Steward Ownership. Bringing the structure into practice brings some difficulties and takes time. At BuurtzorgT, they are currently looking for people in the organisation that can take over the role of the stewards and what the role of the future stewards will be. Next to that, implementing Steward Ownership within laws and regulations that do not support the structure is a disadvantage; this will be more explained below. Steward Ownership can be a disadvantage for the shareholders before the company becomes steward-owned from a financial perspective. Nevertheless, for the company and employees, this is not a disadvantage. To conclude, the advantages and disadvantages of Steward Ownership for BuurtzorgT can be summarised in the following figure.

	Advantages	Disadvantages	
Steward Ownership principles	Protecting the mission, vision and DNA of the organisation	It takes time to implement the structure	Other
	No takeover possible	No fitting laws and regulations in the Netherlands	
	No profit maximisation or short-term orientation	Uncertainty about future Stewards	Leadership skills
Internal control	No shareholder looking over your shoulder	Financial less beneficial for old shareholders	Value & perf
Capital needs	A capital injection with a in advance agreed interest		

At BuurtzorgT, the principles of Steward Ownership, the protection of the mission, no takeover possible and no profit maximisation are experienced as advantages. This is in line with the theory. At BuurtzorgT, no shareholder pressure is experienced as an advantage. This is a contradiction to all shareholder activism theories (Filatotchev & Dotsenko, 2015; Buchanan, Netter & Yang, 2010; Bouaziz, Fakhfakh & Jarboui, 2020; Brav, Jiang, Partnoy & Thomas, 2008; Greenwood & Schor, 2009; Klein & Zur, 2009). Capital needs are not experienced as a problem. A mission-aligned investor solved the difficulty of attracting capital described by Borsting and Thomsen (2017). Leadership skills are not yet missing, but because there is uncertainty about the future stewards, it can become a problem, so the theory of Boeker and Karichalil (2002) could not be proven wrong. The ownership structure is financial less beneficial for the old shareholders, so the model of Wasserman (2017) seems to be implementable in this case. The extra difficulties it takes to implement Steward Ownership compared to other ownership structures is not mentioned in theory.

Is BuurtzorgT successful in their financial performance, and do they achieve high firm value?

With the obtained capital from Purpose, growth has been financed. This growth is visible. The organisation's revenue increased by 39% last year, even in a challenging year with the pandemic for other healthcare organisations. In 2019, the revenue growth was also high, around 50%. This is high compared with other metal healthcare organisations in the Netherlands because on average in 2019 the top ten biggest organisations grew 5%. Next to the revenue, the number of BuurtzorgT teams has increased from 41 on 31 December 2020 to currently 50. The employee number is now about 320. The growth after implementing Steward Ownership is even better than expected. Targets are achieved, so BuurtzorgT is satisfied with its performance and value.

How does BuurtzorgT counter the negative effects of founder control, not going to market, and no shareholder activism?

BuurtzorgT is satisfied with its performance. BuurtzorgT believes founder control does not have a negative influence on the company. The only negative effect of founder control is already described; the founders receive a less beneficial financial reward. Not going to market is not seen as a disadvantage. At BuurtzorgT, they are sure they have enough capital to finance the growth of the following next years. However, when things change and more capital is needed, this is possible. Agreements have been made with the current investor to arrange this. BuurtzorgT agreed that when more capital is needed in the future, they will only work with investors that make the same deal as they have now, or even better. Shareholder activism is believed not to be missed because the stewards of BuurtzorgT have the best interest in the company and determine the course of the organisation. The directors make more operational decisions to accomplish this course. The stewards are responsible for intervening when decisions are made that are not in the company's best interest.

Does BuurtzorgT miss professional and managerial skills, or is this prevented?

Currently, these skills are not missing because the stewards have a lot of business experience. However, missing professional and managerial skills could become a problem when the founders retire. To prevent this, employees are trained to become new stewards. There has also been appointed a new director. The organisation is busy bringing more employee quality on board. In this way, this potential risk is prevented.

Did BuurtzorgT experience any country-specific factors that influenced the implementation of Steward Ownership?

As described, no fitting laws and regulations are mentioned as a disadvantage of Steward Ownership for BuurtzorgT. In the Netherlands, laws and regulations are not yet very focused on Steward Ownership. For instance, in Germany, they are already way ahead. BuurtzorgT has to implement Steward Ownership within the current rules of a B.V. (a private company), so they use a triangle of a board, stewards, and the supervisory board. Laws and regulations cause that implementing the model takes more time, resources, and money. Therefore, at BuurtzorgT, they believe implementing the model is different in every country.

Does Steward Ownership have enough added value for BuurtzorgT that the company would suggest the model to other companies?

At BuurtzorgT, they would advise other organisations to use Steward Ownership. In the healthcare market, many organisations are foundations, and implementing Steward Ownership is not easy to effectuate. It is better to have a shareholder structure, a private company, and then implement Steward Ownership. So especially outside the healthcare market, BuurtzorgT sees many opportunities. BuurtzorgT experiences much international interest in implementing the structure and the effects, so other organisations are interested in Steward Ownership.

Case 3: Steward Ownership at Organically Grown Company

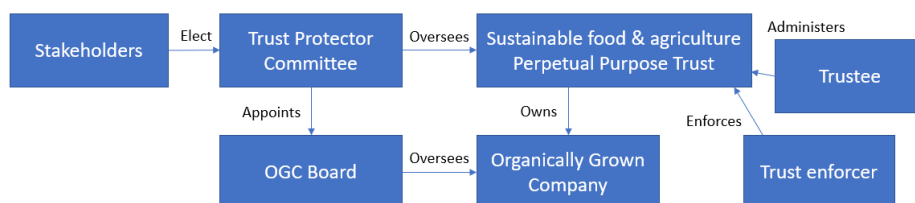
In 1978, in Oregon, USA, a group of gardeners, small-scale farmers, hippies, environmental activists, and dreamers founded Organically Grown Company (OGC). The company wants to make the world a better place, one organic produce delivery at a time. The company created an infrastructure and market for organic food. The company can best be described as one of the largest independent distributors of organic produce supporting farms of all sizes in the US. The organisation sees itself as an activist organisation and a servant to its stakeholders.

Why was Steward Ownership a suitable structure for OGC?

Since its start, OGC had many different ownership structures. The company started as a non-profit setup. Later, to include more stakeholders the company became a cooperative. After that, employees were tried to include with an S-corporation structure and employee stock ownership plan (ESOP). With ESOP, a problem occurred when many employees were retiring; there came a demand to make profits to buy back shares from leaving employees. At OGC, they found that ESOP was no longer a sustainable structure. Then OGC talked intensively with its founders, growers, and coworkers to find out that the most important thing for the company's future was to stay independent and true to the mission. They wanted to protect this in their ownership and governance structure. The idea for Steward Ownership came from books and conversations with the board, staff, and attorney.

How is Steward Ownership implemented at OGC?

OGC is one of the first US businesses to use trust law for its ownership structure. In 2018, the Sustainable Food and Agriculture Perpetual Purpose Trust (PPT) was established; this trust owns OGC. OGC used debt and equity (from investors) to buy back all shares to transition. The PPT ensures the separation of economic and voting rights. The structure allows to focus on the purpose, the business is prevented from being sold to external buyers, and control rights are held by people focused on long-term goals. OGC has a traditional board that runs the company like a traditional company. It is their job to make decisions and intervene. The SFAPPT has a trust protector committee that acts as the stewards of the organisation. They oversee and select the board of OGC. They get involved when they disagree with decisions. The stakeholders of the company elect the committee. If stakeholders have disagreements, they can turn to the trust enforcers who will step on their behalf. The Trust Enforcer is responsible for enforcing the purposes of the trust. The enforcer checks and can intervene when the purpose of the trust is in danger. The structure also has a corporate trustee responsible for prudent management and all organisation's administration tasks.



What are the benefits and disadvantages of Steward Ownership for OGC?

The advantages of Steward Ownership for OGC are that the structure allows the company to focus on its stakeholders and mission. Another advantage of its structure is that the company can pivot fast; this was visible during the pandemic. Growers needed extra money to plant more on their fields. OGC saw this and could quickly release an extra 3.5 million dollars. The structure also gives stability and gives a better motivation to make the right business decisions. The structure also gives more customer loyalty. Customers buy OGC organic products because they appreciate OGC's story and understand why the company does things. The structure also provided mission-aligned investors who help the company. A disadvantage is the complexity of implementing the structure. Implementing takes much time, and the leaders do not always have this time. This complexity is an effect of being a small company and having almost no examples of other companies implementing the structure. For OGC, it is hard to hire new people because the company wants people with great attitudes, aptitude, and skills. They need to have a passion for OGC's mission, preferably from the organic community, but these people can be hard to find.

	Advantages	Disadvantages	
The principles	Focus on stakeholders and mission	Complexity of implementing, this takes time	Other
Founder/ internal control	Fast pivoting possible	Difficult to find perfect fitting employees	
Stakeholders	Stability	Difficult to give all stakeholders participation	Stakeholders
Stakeholders	More customer loyalty		
Capital needs	Mission aligned investors who help OGC		

The focus on stakeholders and mission is in line with the theory about the long-term purpose-driven orientation. Stability is mentioned as an advantage and also in theory by Borsting et al. (2014) and Thomsen et al. (2018). More customer loyalty was not described in the literature. The capital availability described in theory (Borsting & Thomsen, 2017) is not a problem but even an advantage because a mission-aligned investor was found. The complexity of implementing the structure compared to other structures is mentioned but not in the literature. In contradiction to the theory (Draheim, 2016; Borsting & Thomsen, 2017; Borsting et al., 2014; Hansmann & Thomsen, 2013), employee advantages, OGC experiences a disadvantage, namely that it is hard to find perfect employees. The difficulty of having all stakeholders participate was not mentioned in theory.

Is OGC successful in their financial performance, and do they achieve high firm value?

OGC has grown into a multimillion-dollar business engaged in policy and commerce. The company has 270 employees. After implementing, financially, OGC has been able to exceed beyond expectations. They have created a very healthy balance sheet. When the investors stepped in, they were already a healthy company, but this continued and even became stronger. Last year, the company had a revenue of 163 million dollars. OGC is bigger than its two largest competitors. Azure Standard had a revenue of 29 million and has about 60 employees, and Airefco had a revenue of 55 million and has about 160 employees. So, OGC is a leading business in the American market when looking at employees, revenue, and growth.

How does OGC counter the negative effects of founder control, not going to market, and no shareholder activism?

Founder control can no longer have a negative effect because the founders were replaced. At OGC, not going to market is not negatively experienced. OGC thinks it has enough capital to keep growing in the following years. When more is needed, this is possible to arrange with the current investors. OGC found mission-aligned investors that will help accomplish their mission. The traditional board of OGC is responsible for intervening first. The trust protector committee oversees the board and intervenes when they see decisions they do not agree with. Stakeholders can intervene via the enforcers. The possible intervening from all these different people makes OGC believe they do not miss active shareholders.

Does OGC miss professional and managerial skills, or is this prevented?

The former president of Whole Foods Market and the CEO of Organic Valley are part of the committee. Also, two former founders are part of the committee and one founder of the trust enforcer group. The company has an open governance structure, so employees can always give their opinions. Stakeholders can give advice, but they do not always have all information. The investors also give essential advice. OGC is busy bringing more knowledgeable people on board. However, new executives were added to the board and old founders are still active in governance, so currently, they are satisfied with the amount of professional and managerial skills of the members of the board, the committee, and the stakeholders.

Did OGC experience any country-specific factors that influenced the implementation of Steward Ownership?

The US is a more shareholder-oriented country than stakeholder-oriented; however, implementing Steward Ownership in current laws and regulations was for OGC doable. The only thing is that other companies in the US do not always understand OGC and their ownership model.

Does Steward Ownership have enough added value for OGC that the company would suggest the model to other companies?

OGC would suggest the model to other companies. They think it is very empowering and exciting. They also think that it is crucial to change the paradigm of capitalism. There is no type of company to which they would not suggest the structure. It seems to work for all kinds of companies. However, as a company, you have to be fine with spending extra time on implementing, and you need creative thinkers who enjoy the complexity of the structure.

Case 4: Steward Ownership at Ziel

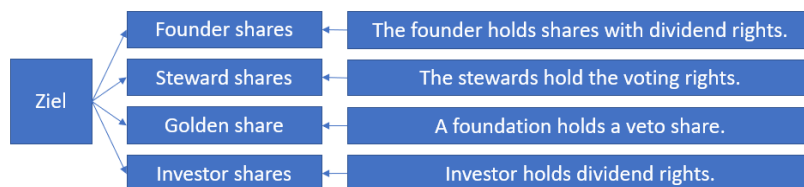
Ziel, also called Zielwear, is a start-up founded in 2015 by Marleen Vogelaar in Portland. Ziel is an American clothing producer. In the current fashion industry, several big problems occur. Clothing items travel seven times around the world before a customer buys them. Every year about 40% of clothing is not sold and destroyed. It is Ziel's mission to solve these problems by producing on-demand, local and sustainable. The company has a waste-reducing and flexible supply model that produces quality clothing for other brands. At Ziel, they have the resources and knowledge to make clothing for other companies without a minimum order and delivery within ten days. Currently, Ziel has about 30 employees.

Why was Steward Ownership a suitable structure for Ziel?

Before founding Ziel, Marleen Vogelaar founded Shapeways. This successful company raised a lot of venture capital, but Vogelaar lost control, and she got a bad feeling after losing the company. Therefore, when starting Ziel, she wanted to do things differently. Directly at the start of Ziel, the company was steward-owned. So the idea to become steward-owned came from the founder herself. Of course, she had an extensive network that helped her and gave advice. However, she already had a strong opinion. For all investors that invested in Ziel, the structure of the company was already evident. For instance, when in 2020, Ziel started a Dutch division in Groningen that focusses on creating a tech platform where brands can sell custom clothes to consumers that is produced, stored, and shipped by Ziel. For creating this branch, some investors got in, but they were already aware of the structure. Because of this, the investors truly believe in the mission of the company. They did not get in for the financial numbers.

How is Steward Ownership implemented at Ziel?

Directly from the start, Ziel created four different types of shares. The first type are steward shares; these shares have voting rights but no dividend rights. These shares are given to team members of the firm. When an employee leaves the firm, the shares are passed to the firm or other employees. The second type are the founder shares; these shares have dividend rights but no control rights. These shares are used as compensation for the founder and repurchased by the firm in an agreed period. Next to these shares, a veto share is created. A foundation holds this share. This share can intervene when the separation of voting and dividend rights is undermined or in case of an attempted sale of the company. Finally, there are investor shares; these shares have dividend rights and no control rights, also called non-voting preferred equity. Ziel wants to buy back all the investor shares within ten years.



What are the benefits and disadvantages of Steward Ownership for Ziel?

Steward Ownership was implemented to protect the mission and vision of the company. The structure also helps to process capital injections without losing control over the firm. With the structure, the company wants to prevent a take-over of a big company like Google or Amazon. At Ziel, they are constantly busy with innovation to make their process faster, prevent mistakes in the process, and make it more sustainable. The Steward Ownership structure stimulates this innovation. At Ziel, all employees got a share with control rights and without dividend rights.

At the company, it is experienced that this makes all employees very motivated, and they believe in the company's mission. From the perspective of the company's mission, there are no disadvantages to the structure. From a purely financial perspective, you could say that it is a disadvantage that not an enormous amount of capital was available from the start.

	Advantages	Disadvantages	
Steward Ownership principles	Protecting the mission and vision of the organisation	Purely financial there was not an enormous amount of capital available from the start	Capital needs
	No takeover of a big firm possible		
	Process capital injections without losing control		
Other	The structure stimulates innovation		
Stakeholders	Motivated employees who believe in Ziel's mission		

The principles of Steward Ownership are mentioned as advantages. The stimulation of innovation is not mentioned in the literature. However, this advantage is probably an effect of the described long-term orientation and the fact that money is reinvested in the company's purpose. The employee advantage is in line with the theory, especially of Popadak (2013), Draheim (2016) and Borsting and Thomsen (2017). The article of Borsting and Thomsen (2017) describing the difficulty of attracting capital is proven right in this case.

Is Ziel successful in their financial performance, and do they achieve high firm value?

As described, Ziel is still a start-up. In America, the company is already producing clothes. In America, the growth potential of the company is visible. The number of collaborations with vendors (f.i. factories and sewing workshops) is increasing, and there are some collaborations with big fashion brands. Ziel wants to make its platform, created in the Netherlands, available at the end of this year. It is the expectation that this will be the turnaround that will make the company grow from the start-up phase to the mature phase. So, currently, Ziel is satisfied with its performance and value, but it will become clear if the company can become successful in the following years.

How does Ziel counter the negative effects of founder control, not going to market, and no shareholder activism?

At Ziel, the founder is still managing the firm. However, founder control is not seen as a disadvantage. The founder is very motivated to help the company, and she has much experience in the industry. Next to that, at Ziel, several team members have voting rights and make decisions together with the founder. Financially, maintaining founder control can be less beneficial for the founder. However, the founder of Ziel had already sold a company before and made money, but this did not make her happy. Therefore, she now is satisfied with getting a smaller part of the profits or value of the company because she can maintain control. In the case of Ziel, it is also shown that it is possible to compensate the founder because the founder receives some dividends. Not going to market is, at Ziel, not experienced negatively. Based on current calculations, the existing investments provided enough capital to grow in the following years to become a mature company. Of course, things may change, and more capital is needed. Then, the company can try to get a subsidy for innovation or with a plan; the current investors can be asked for more capital.

At Ziel, they have 100 per cent confidence that enough capital is present, and when more is needed, this can be arranged in consultation with all parties. Intervening in bad times has to come from Ziel's employees. Especially the team members who hold voting rights. Next to that, there is an advisory board created with, for instance, the investors. They have no control rights but will tell when they see necessary changes. At Ziel, they believe shareholder activism is not missed because several people can intervene and give advice.

Does Ziel miss professional and managerial skills, or is this prevented?

That Ziel is on its way to a mature stage can also be shown with the addition of several new managers to the team. With the addition in the last year of a new CIO, CMO, CTO, a managing director, and a director of design and product development, the company added many professional and managerial skills. The founder still has a significant influence on the firm, and she wants to maintain this influence in the following years. However, with the firm's growth, it is normal to give more tasks to other people. At Ziel, they also mentioned their employees are extra motivated because of their ownership structure. Because of the addition of new executives and their motivated employees, they do not see a problem of missing skills.

Did Ziel experience any country-specific factors that influenced the implementation of Steward Ownership?

Ziel did not mention Country-specific influences on implementing Steward Ownership. The answer to this question is not known. However, Ziel showed that Steward Ownership is implementable in the US, originally a shareholder-oriented country, already in 2015.

Does Steward Ownership have enough added value for Ziel that the company would suggest the model to other companies?

At Ziel, they would suggest Steward Ownership to other companies but not to all. For companies that want to grow fast and strive for financial targets, the structure is not suitable. For instance, young people in the internet time that want to start a fast-growing business to make a lot of money can better choose for more capital and less control. Steward Ownership should fit with the mission of a company. This mission should be focused on the long-term. A social aspect in the mission helps but is not necessary.

Cross case analysis

A cross case analysis has been conducted to find out the differences and similarities between the four cases.

What is Steward Ownership?

The cases did not contradict the definition of Steward Ownership that is described in the theory, only a few small additions were made. It can be concluded that steward-owned companies can work in different industries, have different key activities, sizes, reasons for implementing, missions, structures, and people who are stewards. It can also be concluded that all steward-owned companies seem to have in common that they have a mission focused on the environment of the company, foundations and trusts are used in their structures, economic and control rights are divided, and there are always stewards.

What are the benefits and disadvantages of Steward Ownership?

H2.1: Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long term orientation

This hypothesis can be confirmed by analysing the cases. It is namely remarkable that in all cases, the principles of Steward Ownership were mentioned as advantages of the structure. The theory of Thomsen et al. (2018) aligns with these statements. Thomsen et al. (2018) described the purpose-driven long-term orientation, a more long-term orientation on survival and fulfilment of the purpose, and longer survival. These principles are described as mission/purpose protection in all cases. Thomsen et al. (2018) also explained that the Steward Ownership structure provides credible ownership stability. This is described in the cases as economic and entrepreneurial independence (Bosch), no takeover possible, no shareholder pressure, and no short-term profit maximisation (BuurtzorgT), ownership stability (OGC), and no takeover possible (Ziel). Next to the long-term orientation and ownership stability, the cases of Bosch and Ziel mention the increased availability of money for the purpose of the company as one of the advantages of the ownership structure. Bosch has more money available for innovation and charity, and Ziel experiences that the ownership structure stimulates innovation.

H2.2: Steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism

It can not be concluded that the influence of missing active shareholders described by Filatotchev and Dotsenko (2015), Bouaziz, Fakhfakh and Jarboui (2020), and Buchanan, Netter and Yang (2010) does not affect the value and performance of steward-owned companies. However, it can be concluded that the researched companies, according to themselves, do not experience significant negative effects because they are satisfied with their value and performance and achieve targeted goals. On the other hand, the profit and returns of Bosch do not look very well compared to competitors, and this might also be the case for the other companies, but this could not be investigated. The influence of missing active shareholders seems to be prevented by having stewards who protect the company's interest and having employees, advisory boards, committees, directors, or stakeholders takeover the critical roles of active shareholders, advising and intervening. It can be concluded that the model of Wasserman (2017) is implementable not on the financial gains of the entire company but only on the personal financial gains of the founders, this was shown in the case of BuurtzorgT and Ziel.

According to Filatotchev and Dotsenko (2015), Bouaziz, Fakhfakh and Jarboui (2020), and Buchanan, Netter and Yang (2010), steward-owned companies should experience lower firm value and performance because active shareholders are missed. Wasserman (2017) described that when founder control is maintained, financial gains will be worse and below potential. However, the cases' economic performances and company

values contradict these statements. Organically Grown Company financially exceeded expectations and achieved a healthy balance sheet. The revenue of BuurtzorgT increased by 39% last year, and its revenue is higher than its competitors. Ziel is still a start-up, but its growth potential is visible in the increasing number of collaborations with vendors and brands. Last year, Bosch had a revenue of 78 billion euros and a profit of 4 billion euros. The company has grown substantially in size and revenue over the last ten years. Although these performances and values look good, unfortunately, in the cases of OGC, BuurtzorgT and Ziel, profits or returns could not be compared to competitors because the companies do not publish their financials. When looking at the return on assets, Bosch performs below average compared to its competitors. So, it can only be stated that the companies do achieve targeted values and performances and that they are satisfied, but it can not be stated that there was no more potential that could have been achieved. The theory of Thomsen (2017) that The financial performance of foundation-owned companies is similar to other companies seems applicable but can not be fully confirmed without a more appropriate comparison with the financials of competitors.

It seems that founder control does not significantly harm steward-owned companies' financial gains because the companies achieve targeted financial goals. However, BuurtzorgT mentioned a financial disadvantage: implementing Steward Ownership is financially less beneficial for old shareholders. Founders or old shareholders can not sell their economic shares. They often become stewards without economic rights. The other case companies also all chose for the company purpose over other interests. For instance, at Ziel where the founder decided to maintain control over money because money did not make her happy in another company sale. It can be concluded that the financial disadvantage probably always occurs when the founders decide their company becomes steward-owned. However, it is not always experienced as a disadvantage because it is a well-considered choice. But the model of Wasserman (2017) can be projected on steward-owned companies, but the choice between cash and king means that when the founder chooses to be king, his personal cash is often harmed.

In the cases, it was not believed that missing active shareholders harmed the performance or value of the companies. This is because the companies have stewards who protect the interests of the company. Next to that, two important features of active shareholders, giving advice and intervening in bad times, is in case companies are done by other people, such as employees, advisory boards, committees, directors, and stakeholders. For instance, at Bosch, experienced stewards determine the company's strategy, and the family and foundation can give advice. At Ziel, employees, especially team members with voting rights, can intervene, and an advisory board can give advice. OGC has a traditional board that is responsible for making decisions for the company, and they will intervene when necessary, and a trust protector committee oversees the board and can intervene, and stakeholders can intervene via enforcers. At BuurtzorgT, The stewards and directors will complement each other in making decisions and intervening.

H2.3: Steward-owned companies can not achieve high growth because of lower available capital

Becoming steward-owned and not going to market seems to have a negative effect that less capital is available for the companies. This was mentioned in theory (Borsting & Thomsen, 2017) and also in the case of Ziel. However, companies that become steward-owned know about this possible disadvantage. Wilson and Silva (2013) described companies needing an IPO to achieve growth. However, this was not the case in the researched companies because of low capital needs, enough available equity, or capital was found from mission-aligned investors. Ziel, OGC, and BuurtzorgT mentioned the solution of having a mission-aligned investor. They all said that their mission-aligned investors made possible their targeted growth, and they also noted that when more capital was needed, there were possibilities. Steward-owned companies can lower their performance targets to lower their capital needs. This seems to be a plausible reason for the fact that the researched companies are satisfied with their growth and could achieve this with capital needs that were

possible to finance with their equity or a mission-aligned investor. This would be in line with Hansmann and Thomsen (2013), who found lower growth rates in steward-owned firms and Thomsen (2017), who described that foundation-owned companies grow more organic. Only when companies become steward-owned and have a high capital need that is impossible to fulfil with equity or mission-aligned investors the negative effect of not going to market and capital availability can not be countered.

According to theory, attracting capital as a steward-owned company is harder (Borsting & Thomsen, 2017). This disadvantage is experienced at Ziel. When Ziel had chosen another ownership structure, it could have attracted more capital at the company's start. However, based on current calculations, Ziel believes they attracted enough capital to keep growing and become mature. Ziel can get this with grants or from their existing investors when more money is needed. At the company, they do not feel that the growth the company has targeted is limited in any way by the currently available capital. The other companies did not mention a capital disadvantage. Bosch has grown for many decades in size and revenue; this was all financed with equity. Therefore, it seems that the available capital does not limit Bosch's growth. At OGC, they believe they have enough capital to keep growing the way they want. When more is needed, this is possible to arrange with current investors. At OGC, they found mission-aligned investors that will help accomplish their mission. OGC mentions these mission-aligned investors even as an advantage of Steward Ownership. At BuurtzorgT, they also expect to have enough capital for the following years. When more capital is needed, this is possible because it has already made agreements about this with its investors. BuurtzorgT mentioned the possibility of receiving a capital injection without losing control is, according to them, an advantage of Steward Ownership. So the cases contradict the theory that steward-owned companies experience negative effects from not going to market (Wilson & Silva, 2013).

H2.4: Steward Ownership has a positive effect on stakeholders

The theory that Steward Ownership can have a positive effect on stakeholders is correct. At Ziel, they mentioned that Steward Ownership positively affects the motivation of its employees. This is in line with the theory that also mentioned employee advantages (Draheim, 2016; Borsting & Thomsen, 2017; Borsting et al., 2014; Hansmann & Thomsen, 2013). At OGC, it is experienced that Steward Ownership creates a positive image that influences its customers. Customers are affected by the fact that OGC is motivated by its purpose. This is in line with Borsting and Thomsen (2017), who found that steward-owned companies have better reputations and are regarded as more socially responsible, and Popadak (2013), who found that long-term vision leads to increased customer satisfaction.

H2.5: Steward-owned companies miss professional and managerial skills

The steward-owned companies believe they are not missing professional and managerial skills. This is against Boeker and Karichalil (2002) and Hambrick and Crozier's (1985) theory. The potential risk of missing professional and managerial skills is solved by appointing and training managers, directors, and executives. The missing skills problem depends on the specific need of employees and successors of a company; this is not a specific problem for steward-owned companies but for every company. However, it can be a disadvantage that finding people with leadership skills can be harder because they need to be intrinsically motivated.

At OGC, currently, they are satisfied with the amount of professional and managerial skills of the members of the board, the committee, and the stakeholders. The company transferred three founders with experience and skills to the company's trust committee. The founders were replaced with new executives, and OGC is busy bringing more knowledgeable people on board. However, it is hard for them to hire new employees with the right attitude, aptitude, skills, and same mission thinking. So, it is hard to say if it could become a problem in the future. At Bosch, the Steward Ownership structure was implemented to replace family with professional managers. Ten stewards (four former Bosch executives and six external business professionals) now determine the strategy of Bosch. It can be stated that all

stewards are highly experienced, so missing professional and managerial skills is no problem at Bosch. At BuurtzorgT, they recognise missing professional and managerial skills as a possible danger for the future when the founders will retire. Finding the new stewards and new management is a hard task. Currently, BuurtzorgT is training employees, appointing new directors and managers, and bringing more quality on board. The organisation is busy bringing more employee quality on board. The company is satisfied with the current skills that the founders and newly hired people have. Ziel has also added several new managers to the team. With the addition in the last year of a new CIO, CMO, CTO, a managing director, and a director of design and product development, the company added many professional and managerial skills. At Ziel, they do not see missing skills.

Newly added advantages and disadvantages

At BuurtzorgT and OGC, the complexity that comes with implementing Steward Ownership was mentioned as one of the most significant disadvantages of the model. This disadvantage was not mentioned in any theory. At BuurtzorgT, laws and regulations were called a cause. BuurtzorgT has to implement Steward Ownership in private company law because, in the Netherlands, there are no really supporting laws for Steward Ownership. The company also mentioned the lack of examples of other companies who implemented similar structures. At OGC, they see having no examples as the main cause. The company leaders need to spend much time regulating governance in the company and do not always have this time. This disadvantage was not mentioned in the theory but seems to have a significant negative effect on the implementation of Steward Ownership.

For which companies is Steward Ownership a suitable ownership structure?

H3: Every company can implement Steward Ownership

Not many requirements for Steward Ownership were discovered in the cases because the companies differ in many aspects. The case companies differ in industries which aligns with Borsting and Thomsen (2017), sizes, missions, reasons for implementing the model, and the phase in which they implemented the structure. The founder of the company often executes the implementation of the model. This founder wants to protect the mission of the company. This mission is most of the time focused on doing good to the environment of the company. This also aligns with Borsting and Thomsen (2017). After analysing the cases, the hypothesis that 'every company can implement Steward Ownership' is still acceptable. The cases show that Steward Ownership is suitable for companies from different industries. BuurtzorgT is working in the healthcare industry, OGC in the food industry, Bosch in the technology industry, and Ziel in the fashion industry. This aligns with Borsting and Thomsen (2017), who mentioned that foundation ownership is not industry-specific. Next to the industry, several characteristics of the companies are entirely different, such as company size, the company's mission, and the reasons for implementing the model. Bosch was a family business that wanted to protect the company's mission after the founder's death. BuurtzorgT implemented the structure to get a capital injection without losing control. OGC wished to protect its mission and stakeholders. BuurtzorgT and OGC were successful in their performance but still growing. Ziel implemented Steward Ownership as a start-up because it wanted to remain in control, protect its mission, and protect the company against an external sale. Remarkable is that the companies always want to protect their mission. As described, the companies' missions are all focused on positively impacting the company's environments. It can also be concluded that in all cases, the founders decided to implement Steward Ownership. The founders of the researched companies got the idea to implement Steward Ownership via experiences, networks, books, and stakeholder conversations. The case descriptions are aligned with Borsting and Thomsen (2017), who described that Steward Ownership is typically implemented by founders and entrepreneurs who want to secure their company's mission because they see this as their contribution to society.

Is Steward Ownership possible to implement only in countries with the stakeholder perspective?

H4: Steward Ownership is better implementable in stakeholder-oriented countries

In the cases, country-specific characteristics influenced two companies. However, the stakeholder perspective is not mentioned as a cause of this influence. The shareholder thinking theory, described by Singh et al. (2005), does not seem to significantly affect the geographical focus of Steward Ownership, as defined by Thomsen et al. (2018). The two mentioned causes are laws and regulations and a lack of examples of other companies that implemented the model. Thomsen (2014) also mentioned exactly these two influences. The researcher mentioned regulations, especially tax regulations, as a large influence and the presence of a company that implemented the ownership structure is influencing other companies also to implement it.

In the case description, at Bosch and Ziel, no country-specific factors that influenced their implementation were mentioned. At BuurtzorgT, they mentioned that they experienced difficulties because the laws and regulations in the Netherlands were not supporting the model. Missing examples of other companies using the model in the Netherlands also negatively influenced the implementation. At OGC, they implemented Steward Ownership in the US, an originally shareholder-oriented country. However, implementation in the US was, according to OGC, doable. Only, the fact that there are almost no examples of other companies using the model is a disadvantage.

Hypotheses	Accepted or rejected by the cases
H2.1: Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long term orientation	Accepted
H2.2: Steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism	Partly accepted/rejected
H2.3: Steward-owned companies can not achieve high growth because of lower available capital	Rejected
H2.4: Steward Ownership has a positive effect on stakeholders	Accepted
H2.5: Steward-owned companies miss professional and managerial skills	Rejected
H3: Every company can implement Steward Ownership	Accepted
H4: Steward Ownership is better implementable in stakeholder-oriented countries	Rejected

Table 2: An overview of the accepted and rejected hypotheses by the cases

Reflection

What is Steward Ownership?

The theory states that Steward Ownership is a method to legally structure the ownership of a company to secure the company's mission and independence (Purpose Foundation, 2018; Thomsen & Rose, 2004; Thomsen et al., 2018). Two principles of Steward Ownership are fundamental; profits serve purpose, and self-governance. The cases and interviews confirm the given definition in theory.

What are the benefits and disadvantages of Steward Ownership?

The theory, cases, and interviews all gave many different advantages and disadvantages of Steward Ownership. Managers and founders of firms should make their own estimation if the described advantages and disadvantages are likely to occur in their company.

Hypotheses	Accepted or rejected by the interviews	Accepted or rejected by the cases
H2.1: Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long term orientation	Accepted	Accepted
H2.2: Steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism	Mostly rejected	Partly accepted/rejected
H2.3: Steward-owned companies can not achieve high growth because of lower available capital	Rejected	Rejected
H2.4: Steward Ownership has a positive effect on stakeholders	Accepted	Accepted
H2.5: Steward-owned companies miss professional and managerial skills	Rejected	Rejected
H3: Every company can implement Steward Ownership	Accepted	Accepted
H4: Steward Ownership is better implementable in stakeholder-oriented countries	Rejected	Rejected

Table 3: An overview of the accepted and rejected hypotheses

H2.1: Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long-term orientation

This hypothesis can be accepted because the theory, interviews, and cases confirm it. Thomsen et al. (2018), who described the purpose-driven long-term orientation and its effects, are in line with the expert interviews and cases. The experts described self-governance and a purpose-driven long-term orientation as the basis of Steward Ownership and the structure's advantages. In all the cases, self-governance and the purpose-driven long-term orientation were experienced as advantages of Steward Ownership. Multiple advantages were mentioned in the interviews and cases that can be seen as effects of the principles, such as longer survival, long-term investments, and increased resilience and stability. Next to that, especially keeping profits inside the organisation was described as an important effect and should maybe even be placed next to self-governance and the purpose-driven long-term orientation.

H2.2: Steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism

It is impossible to accept or reject this hypothesis based on the theory, interviews and cases. However, the experts believe that steward-owned companies financially perform at least equal to other structured companies based on anecdotal evidence. The researched companies do not experience negative effects on the firm value and financial performance. They are all satisfied because targeted goals are achieved. The beliefs of the experts and the experiences of the case companies are in line with literature from Borsting and Thomsen (2017) but a contradiction with literature from Draheim (2016). However, the profit and returns of Bosch did not look very well compared to competitors. Unfortunately, this could not be researched for the other cases. Therefore, it remains uncertain if founder control and no active shareholders do not harm the company's performance and value.

It can not be proven that the influence of missing active shareholders described by Filatotchev and Dotsenko (2015), Bouaziz, Fakhfakh and Jarboui (2020), and Buchanan, Netter and Yang (2010) does have a significant effect on the value and performance of steward-owned companies. However, the experts and Thomsen (2018) agree that lower efficiency is a potential danger for steward-owned companies. This potential disadvantage seems possible to be caused by missing active shareholders. However, the experts and the cases described that the influence of missing active shareholders could be prevented by having stewards who protect the company's interest and having employees, advisory boards, committees, directors, or stakeholders take over the critical roles of active shareholders, advising and intervening.

Founder control seems not to harm the performance and value of firms significantly. However, the model of Wasserman (2017) is implementable. Not on the financial gains of the entire company but only on the personal financial gains of the founders; this was shown in interviews and the case of BuurtzorgT and Ziel. Implementing Steward Ownership and maintaining internal control is financially less beneficial for the founders of a company.

H2.3: Steward-owned companies can not achieve high growth because of lower available capital

The hypothesis can be rejected when talking about the targeted growth of steward-owned companies because the experts and cases described targeted growth is often achieved. However, it could not be proven that with another ownership structure higher growth could have been achieved. High growth seems to be possible but maybe a bit less common in steward-owned companies. This is in line with Thomsen (2017) who described the more organic growth of steward-owned companies. The theory of Borsting and Thomsen (2017), that there is less capital available for steward-owned companies was confirmed by the cases and experts. However, this lower capital availability was not experienced as a negative effect by the case companies. This can have multiple reasons. First of all, the companies determine in advance what their growth strategy will be and whether the steward ownership structure is appropriate, and whether sufficient capital can be obtained for this. When the company has low capital needs growth is not harmed and when there are higher capital needs mission-aligned investors can be the solution. Only when companies become steward-owned and have a high capital need that is impossible to fulfil with equity or mission-aligned investors the negative effect of not going to market and capital availability can not be countered. So the interviews and cases contradict the theory that steward-owned companies experience negative effects from not going to market (Wilson & Silva, 2013).

H2.4: Steward Ownership has a positive effect on stakeholders

This hypothesis can be accepted based on the theory, interviews, and cases. In literature, mainly the positive effect of Steward Ownership on one kind of stakeholder was described, employees (Draheim, 2016; Borsting & Thomsen, 2017; Borsting et al., 2014; Hansmann & Thomsen, 2013). The experts and case companies confirm this positive effect. Next to that, the cases and interviews describe that Steward Ownership also positively affects other stakeholders, such as customers and business partners.

H2.5: Steward-owned companies miss professional and managerial skills

Based on the interviews and cases, the hypothesis can be rejected. The experts and case companies contradict the theory of Boeker and Karichalil (2002) and Hambrick and Crozier (1985) that professional and managerial skills should be missing when founder and internal control are maintained. The experts and case companies agree that the possible risk of missing professional and managerial skills is not specifically applicable to steward-owned companies. When the missing skills would become a problem, the experts and case companies believe it can be solved with governance solutions, such as setting up a good team with managers and directors, training managers, and sending not sufficiently performing managers away. A addition made by the experts and cases was that sometimes it was hard to find sucesors for the founders because the new leaders needed to be intrinsally motivated.

Implementing Steward Ownership is a competitive disadvantage

A disadvantage of Steward Ownership that was not described in the literature but added by both the experts and case companies is that implementing Steward Ownership gives a completive disadvantage. Because of missing examples of other steward-owned companies and difficult laws and regulations, steward-owned companies need to spend more time, money, and resources to maintain their legal structure than other more familiar structured companies.

For which companies is Steward Ownership a suitable ownership structure?

The experts and the case companies are aligned with the hypothesis: 'every company can implement Steward Ownership ". No specific company specifications could be found that need to be fulfilled to become steward-owned. The case companies differed in many aspects, such as size, missions, reasons for implementing the model, and the phase in which they implemented the structure. The experts added that three types of companies are mostly interested in the ownership model: family businesses, start-ups, and social value-driven companies. In most companies, the founder decides if their company suits Steward Ownership and if their company will implement it.

Is Steward Ownership possible to implement only in countries with the stakeholder perspective?

The hypothesis: 'Steward Ownership is better implementable in stakeholder-oriented countries can be rejected based on the interviews and cases. The shareholder thinking theory, described by Singh et al. (2005), does not seem to significantly affect the geographical focus of Steward Ownership, as defined by Thomsen et al. (2018). There are other influences, such as laws and regulations, freedom of entrepreneurial activity, attention given to the model, currently used ownership structures, and available examples of implementations. This is in line with Thomsen (2014), who also mentioned laws and regulations and a lack of examples of other companies that implemented the model.

Conclusion

The cases and interviews confirmed the theory that Steward Ownership can be defined as a method to legally structure the ownership of a company to secure the company's mission and independence, with two principles profits serve purpose and self-governance.

Steward-owned companies experience positive effects because of being internally governed and having a purpose-driven long-term orientation; the theory, interviews and cases agree on this.

This research can not accept or reject that steward-owned companies achieve lower firm values and financial performances because of founder control and missing shareholder activism. The experts and case companies believe in good financial results. However, comparing the case companies to other companies was not sufficiently done to make any statements. Missing active shareholders is a disadvantage that can easily be overcome with others giving advice and intervening. Founder control seems to have no significant effect on a company's value and performance, but the founder's personal financial gains can be harmed when the founder holds shares or gives shares to a foundation.

Despite lower capital availability, steward-owned companies can achieve targeted growth. The interviews and cases rejected the theory. However, the growth targets might be a bit lower than in other structured companies. Mission-aligned investors can also solve the capital issue.

Steward Ownership positively affects stakeholders. In theory, this effect was described for employees, but the interviews and cases confirmed the effect also for customers and business partners.

The cases and interviews rejected the theory that steward-owned companies miss professional and managerial skills. The risk of missing these skills is not specifically applicable to steward-owned companies, and when the risk occurs, it can be overcome with good governance.

The cases and interviews both added that implementing Steward Ownership is a competitive disadvantage because it takes more time and resources to implement and maintain the Steward Ownership structure than other ownership structures. This is a disadvantage that needs to be taken into consideration and how it can be prevented.

Every company can implement Steward Ownership. No specific company specifications could be found in the theory, cases or interviews that need to be fulfilled to become steward-owned.

Steward Ownership is more common in particular countries, but this can not be linked to the, in theory found, stakeholder or shareholder orientation. Other more sufficient influences were found in the cases and interviews, such as laws and regulations, freedom of entrepreneurial activity, attention given to the model, currently used ownership structures, and available examples of implementations.

The question: 'What is the added value of implementing the Steward Ownership structure into a company for the company and the founders of a company?' has been researched. It is hard to answer the main research question in a short text. The added value of Steward Ownership is different for every company. The above-described conclusions can contribute to the available theory and have a practical meaning for founders and entrepreneurs of companies. The founders and entrepreneurs can use the information to find the value of Steward Ownership for their company. An entrepreneur must research what advantages and disadvantages apply to their company and, based on this, decide if it is worth implementing the ownership model. To do this, the below decision tree was created. This decision tree can help a founder or entrepreneur to decide if it is worth implementing Steward Ownership in their company. The decision tree can be seen as a result of this research, but the model needs further research to confirm it. Steward Ownership seems promising when looking at the interviews, cases and theory.



Figure 8: Decision tree to decide if Steward Ownership is suitable for a company

Limitations and future research

There is a lack of research into Steward Ownership. The number of articles written about Steward Ownership is still very low. Because of this, in this research, much information is not based on empirical evidence but anecdotal evidence. Therefore it is suggested that researchers will investigate more about Steward Ownership.

The second limitation of this research is that it might be possible that the image of Steward Ownership, created in this research, is too optimistic. This might be the case because two business advisors were interviewed that want to promote Steward Ownership. They do not profit from this promotion, but it is sure they have a strong belief in the model. Next to that, four companies were investigated that implemented the model; it can be that they were giving too optimistic information because it was about their own ownership structure.

The third limitation of this research is that only four case descriptions were created. Due to time restrictions, more was not possible. However, researching more steward-owned companies would have been interesting, especially when the company's characteristics would have been different. For instance, a family firm that implemented the structure lately or a firm that has a charitable mission. More researched companies would have made the conclusions better substantiated.

This research mainly made contributions to the literature that are useful for founders and entrepreneurs of companies interested in becoming steward-owned. With the case descriptions, practical examples of Steward Ownership were described. By comparing the interviews and cases to the theory, statements could be made about the advantages and disadvantages of Steward Ownership. Entrepreneurs and founders can use these statements to determine which advantages and disadvantages are likely to occur in their company. This should help to make a good decision to become steward-owned or choose another ownership structure. However, there are still many uncertainties about Steward Ownership, and therefore some future research questions will be proposed. Next to the founders and managers, this research is useful for investors, scholars, governments and researchers.

As described, it is recommended that researchers will continue to investigate Steward Ownership more. Currently, the amount of research into the model is very limited. A few interesting research questions have been developed that seem interesting to investigate. However, because of the low number of papers about the model, many more topics and questions can be investigated.

- What is the financial performance of steward-owned companies compared to similar companies with other ownership structures? This question has not been researched sufficiently. The number of examples of steward-owned companies is growing, and in the following years, enough data should be collectable to research their financial performance.
- Are there more advantages and disadvantages of Steward Ownership that were not mentioned in this research? Because only two experts were interviewed and only four cases were made, it is likely that there are more advantages and disadvantages that are not yet discovered. Doing this research on a larger scale, especially by interviewing more steward-owned companies, will give more insights. It is also interesting to research the advantages and disadvantages of different categories. For instance, what are the advantages and disadvantages for steward-owned companies on a short-term period compared to a long-term period?
- Are there examples of steward-owned companies that implemented the model but are not satisfied, or where implementation did not work out? This research only used examples of companies that successfully implemented the model. This is a limitation.

There are probably companies that tried to implement the model but failed. These companies are more difficult to find but might provide interesting information.

- What do business advisors and companies that not work with Steward Ownership think about the model?
- How can more investors be convinced to be interested in investing in steward-owned companies?
- What different legal structures can be used to implement Steward Ownership in different countries? For instance, in France, currently, no structure has been found. More research if there are no possibilities is needed.
- How can entrepreneurs make a well-considered choice to implement or not to implement Steward Ownership? This research has provided information that can help entrepreneurs with making a choice. However, it is not yet sufficient, and more research is needed.

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Appendix

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BuurtzorgT gebruikt Steward Ownership als slimme investeringsvorm

BuurtzorgT gebruikt als eerste zorgorganisatie in de wereld de eigendomsconstructie Steward Ownership als slimme investeringsvorm. De idealistische Duits-Zwitserse investeerder Purpose Evergreen Capital betaalt miljoenen euro's voor nieuwe eigendomsaandelen, maar krijgt geen zeggenschap. 'Jos de Blok en ik hebben een ideaal verwezenlijkt', zegt Nico Moleman, bestuurder BuurtzorgT.

Snelle groei en succes zorgen niet automatisch voor een wereld van louter rozengeur en maneschijn. Bij ggz-aanbieder BuurtzorgT, in 2013 opgericht door Jos de Blok en Nico Moleman, leidt de snelle groei tot een chronisch tekort aan werkkapitaal. BuurtzorgT levert ggz aan huis volgens het Buurtzorg-concept van zelfsturing. De zelfsturende teams bestaan meestal uit een psychiater, een psycholoog en vijf tot zes psychiatrisch verpleegkundigen. Bij de feitelijke start in 2014 waren er drie teams. Inmiddels werken er veertig teams, verspreid over het hele land, met uitzondering van Drenthe en Limburg. De omzet bedroeg 13,1 miljoen euro in 2019 en neemt elk jaar met 50 procent toe.

Tekort aan werkkapitaal

Het tekort aan werkkapitaal komt door de dbc-bekostiging in de ggz. Ggz-aanbieders krijgen pas uitbetaald aan het einde van een behandeling. Als je snel groeit, is dat een probleem. De uitgaven voor onder meer personeel nemen snel toe, maar op de inkomsten moet je lang wachten. Voor het tekort aan liquide middelen moest BuurtzorgT daarom aankloppen bij de bank. 'De Rabobank is heel behulpzaam geweest om onze groei te faciliteren', zegt Nico Moleman. 'Ze willen onze ontwikkeling ook faciliteren. Maar gezien de oplopende schuldenpositie vond de bank het raadzaam om ons eigen vermogen te versterken.'

Op zoek naar investeerder

De Blok en Moleman waren huiverig voor een nieuwe investeerder. Ze waren bang dat ze met de verkoop van hun aandelen ook de missie van het bedrijf op het spel zouden zetten. Moleman: 'Veel investeerders willen niet alleen veel geld verdienen aan een lening, ze willen de aandelen op termijn ook met grote winst verkopen. Het gevaar is dat een organisatie zo haar ziel verliest en dat winst maken een doel op zich wordt.'

Purpose Evergreen Capital, een bevlogen investeerder

In hun zoektocht naar geld wilden Moleman en De Blok niet aankloppen bij klassieke kapitalistische investeerders. Eind 2019 kwam Moleman in contact met Purpose Evergreen Capital. Achter dit bedrijf, opgericht door de Duitser Armin Steuernaegel, zitten bevlogen ondernemers die vooral bedrijven helpen die betekenisvol werk doen. Moleman: 'Ze nemen genoegen met een beperkt rendement. Purpose Evergreen Capital heeft samen met BuurtzorgT een slimme investeringsvorm bedacht waarbij niet de investeerder, de nieuwe eigenaar, er uiteindelijk met de opbrengst vandoor gaat, maar juist BuurtzorgT zelf.'

Steward-Ownership splitst eigendom en zeggenschap

De slimme investeringsvorm is gebaseerd op het concept van Steward-Ownership. Bij Steward Ownership zijn de aandelen verdeeld in aandelen met eigendomsrechten en aandelen met zeggenschap. BuurtzorgT heeft nieuwe eigendomsaandelen uitgegeven en verkocht aan Purpose Evergreen Capital. Er is afgesproken dat BuurtzorgT deze aandelen over een aantal jaren terugkoopt tegen dezelfde prijs. Purpose Evergreen Capital mag deze aandelen in de tussentijd niet doorverkopen aan een andere partij. De eigendomsaandelen komen uiteindelijk in handen van BuurtzorgT.

Golden share als vetorecht

Daarnaast is er een onafhankelijke stichting. De stichting heeft een 'golden share', dat is een soort vetorecht voor handelingen die tegen de missie en belangen van BuurtzorgT ingaan. In de statuten staan de missies en de spelregels voor de stewards en Purpose Evergreen Capital. De 'golden share' voorkomt dat BuurtzorgT wordt verkocht of dat BuurtzorgT haar missie uit het oog verliest.

Purpose heeft geen zeggenschap

BuurtzorgT heeft nu dus twee soorten aandelen: eigendomsaandelen zonder zeggenschap en 'winstrechtloze' aandelen met zeggenschap. De eigendomsaandelen zonder zeggenschap zijn tijdelijk in handen van Purpose Evergreen Capital. Purpose heeft dus geen zeggenschap over BuurtzorgT en zal zich niet bemoeien met de bedrijfsvoering. 'We rapporteren elk kwartaal aan Purpose. Als het slecht gaat met BuurtzorgT, mogen ze daar wat van vinden. Maar ze hebben geen middelen om in te grijpen. Dat is vastgelegd in contractuele afspraken.'

Moleman en De Blok als stewards

De aandelen met zeggenschap zijn in handen van 'stewards'. De stewards zijn een soort rentmeesters. Ze hebben een dienende en ondersteunende rol om de organisatie te helpen haar doelen te bereiken. Moleman en De Blok zullen stewards zijn totdat medewerkers van BuurtzorgT die rol kunnen overnemen. Maar wat ontvangen zij als zij hun aandelen met zeggenschap overdragen? 'Als de stewards hun aandelen overdragen aan andere stewards, krijgen we een symbolisch bedrag van 0,01 euro', zegt Moleman.

Moleman blijft bestuurder

Daarnaast blijft Moleman de komende 2,5 jaar bestuurder van BuurtzorgT om de overgang naar Steward Ownership te begeleiden. Moleman: 'De golden share garandeert dat de stewards geen dingen doen in hun eigenbelang die tegen het belang van de missie van BuurtzorgT ingaan. We kunnen geen besluit nemen zonder instemming van de golden share. Jos en ik kunnen niet zo maar besluiten om ons inkomen te verhogen.'

Miljoenen euro's

Purpose Evergreen Capital betaalt miljoenen euro's voor de aandelen van de BV BuurtzorgT. Hoeveel precies wil Moleman niet zeggen. 'Het is niet een bedrag dat in de tientallen miljoenen euro's loopt, maar eerder in de miljoenen euro's. Dat geld blijft op de rekening van BuurtzorgT staan en is beschikbaar voor de missie van BuurtzorgT. Als we dit bij een private equity hadden gedaan, zouden we zeker 12 procent rente hebben betaald. Nu betalen we Purpose een rente die aanzienlijk lager is dan 10 procent.'

BuurtzorgT is eigenaar

Juridisch gezien wordt BuurtzorgT volledig eigenaar van zichzelf wanneer alle eigendomsaandelen weer in bezit zijn van BuurtzorgT. Moleman verwacht dat dit over een periode van vijf tot zeven jaar het geval zal zijn. Dat hangt af het groeitempo van BuurtzorgT en externe ontwikkelingen, zoals de nieuwe bekostiging voor de ggz. Maar economisch gezien is BuurtzorgT nu al volledig eigenaar van zichzelf, benadrukt Moleman. 'Naast een rentevergoeding aan Purpose blijven alle winsten binnen BuurtzorgT. Er is geen aandeelhouder of andere partij die geld uit BuurtzorgT kan halen.'

Geen risico voor medewerkers

Voor de medewerkers van BuurtzorgT verandert er niets. Zij behouden hun professionele autonomie en ze lopen geen financiële risico's. Moleman: 'Als medewerkers aandelen kopen van een BV, zijn ze die bij een faillissement kwijt. Bij een coöperatie moeten de medewerkers als leden ook geld investeren waarover ze risico lopen.'

Wederzijds vertrouwen

Dat BuurtzorgT en Purpose eruit zijn gekomen in de coronacrisis, vindt Moleman bijzonder. Veel investeerders haken nu juist af. Purpose heeft volgens Moleman vooraf heel grondig onderzoek gedaan naar BuurtzorgT. Ze hebben de financiële bedrijfsvoering uitgeplozen, teams ontmoet en intensief gesproken met De Blok, Moleman en de financiële man Bas van Riet Paap. Het wederzijdse vertrouwen is gegroeid doordat partijen via de 'Rechtmakersmethode' van Digna de Bruin een inhoudelijk gesprek voerden op basis van openheid. 'Meestal krijg je aan het einde van zo'n proces veel gedoe. Vanuit wantrouwen zetten beide partijen dure teams van advocaten aan het werk. Dit was juist een heel mooi proces.'

Droom verwezenlijkt

'Jos de Blok en ik hebben een ideaal verwezenlijkt', zegt Moleman. 'BuurtzorgT kan nooit meer verkocht worden aan een private investeerder die er met de winst vandoor gaat en voor wie de missie van het bedrijf van ondergeschikt belang is. BuurtzorgT bepaalt wat er gebeurt met de opbrengsten. BuurtzorgT is dan niet alleen zelfsturend, maar ook zelfbesturend. Dit is een nieuwe vorm van zelfbesturend eigendom.'

Figure 8: Zorgvisie: Steward Ownership at BuurtzorgT (Kiers, 2020)

Hoe BuurtzorgT in zee ging met een idealistische investeerder

Aan de deal met de idealistische Duits-Zwitserse investeerder Purpose Evergreen Capital en BuurtzorgT over Steward Ownership gingen maanden van intensieve gesprekken vooraf. 'Het leek wel een sprookje. Wanneer komt de aap uit de mouw?'

 Bewaren



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'Het leek te mooi om waar te zijn', zegt Bas van Riet Raap, de financiële man van BuurtzorgT over de recente deal van BuurtzorgT met Purpose Evergreen Capital. De Duits-Zwitserse investeerder gaat niet voor 'dubbele didget' winstpercentages. Het is een private investeerder die genoeg neemt met een bescheiden rentepercentage, vergelijkbaar met wat banken vragen. Een investeerder die afziet van winst op verkoop van de aandelen, terwijl normaal een winstpercentage van 20 á 25 procent standaard is? 'Wanneer komt de aap uit de mouw?', vroeg Van Riet Raap zich af tijdens de maanden waarin partijen elkaar beter leerden kennen.

Jos de Blok ontmoet Armin Steuernagel

Ook Buurtzorg-directeur Jos de Blok had aanvankelijk de nodige argwaan. Zijn ervaringen met private investeerders leerden hem dat het in die wereld uiteindelijk toch altijd draait om geld en winstmaximalisatie. De Blok was Armin Steuernagel, oprichter van Purpose Evergreen Capital, tegen het lijf gelopen rond een congres in Duitsland. 'Hij toonde oprechte interesse in het concept van Buurtzorg.'

Purpose Evergreen Capital

De Blok en Nico Moleman, de oprichters van BuurtzorgT, raakten medio 2019 serieus in gesprek met Purpose Evergreen Capital. Op advies van de Rabobank was BuurtzorgT op zoek naar een extra kapitaalverschaffer. De snelle groei van BuurtzorgT en de bekostigingssystematiek in de ggz zorgden voor liquiditeitsproblemen. In najaar 2019 waren er enkele ontmoetingen om elkaar beter te leren kennen. De Blok: 'Aan de manier van praten en de taal die Steuernagel gebruikte, merkte je dat het echt was. Het gaat hen niet om winst maar om continuïteit van BuurtzorgT. Het is geen overname om met vette winst door te verkopen. Het waren geen verkooppraatjes.'

Maatschappelijke impact

Ook Van Riet Raap schoof aan bij die gesprekken. Als financiële man is hij vertrouwd met de taal van de financiële wereld. 'We waren hele dagen in gesprek. De investeerders deden uiteraard wel een boekenonderzoek. Zo groeide langzaam het vertrouwen in de oprechte intentie. Het was geen sprookje. Het was echt. Er zat niet nog een adder onder het gras. Purpose Evergreen Capital is niet zo maar een investeerder. Het Duits-Zwitserse bedrijf wil met kapitaalinjecties het verschil maken voor de samenleving. Maatschappelijke impact, daar draait het om.'

Steward Ownership

Purpose Evergreen Capital werkt volgens het concept van Steward-Ownership. Bij Steward Ownership zijn de aandelen verdeeld in aandelen met eigendomsrechten en aandelen met zeggenschap. BuurtzorgT heeft nieuwe eigendomsaandelen uitgegeven en verkocht aan Purpose Evergreen Capital. Er is afgesproken dat BuurtzorgT deze aandelen over een aantal jaren terugkoopt tegen dezelfde prijs. Purpose Evergreen Capital mag deze aandelen in de tussentijd niet doorverkopen aan een andere partij. De eigendomsaandelen komen uiteindelijk in handen van BuurtzorgT.

Vertrouwen

De maandenlange gesprekken tussen BuurtzorgT en Purpose Evergreen Capital vormden een stevige basis voor het wederzijdse vertrouwen. Dat bewees zijn nut toen eind februari door de coronacrisis fysieke ontmoetingen niet meer mogelijk waren. Van Riet Raap: 'Alles ging toen via beeldbellen. Van eind maart tot eind april was er iedere dag contact tussen 11 en 12. De stewards waren iets meer op de achtergrond bij de zakelijke afronding.'

Eén advocaat


Ook die laatste afrondende was volgens Van Riet Raap heel bijzonder. Als de contracten worden opgesteld, zetten beide kampen gewoonlijk hun eigen advocaten aan het werk. Het is een fase waarin het alsnog mis kan gaan en partijen via de advocaten ruziën. 'Het vertrouwen was zo groot dat beide partijen samen één advocaat hadden, die de belangen van beide partijen gezamenlijk behartigde.'

Wederzijdse verwachtingen helder


'Wij wilden de afspraken om een manier die bij ons past', zegt De Blok. 'Centraal stond steeds wat we samen wilden bereiken. Aanvankelijk stuitte dat op een gereserveerde reactie van de financiële mensen die gewend zijn om snel ter zaken te komen. "Het mocht vooral niet te lang duren." Maar doordat we zorgvuldig de tijd namen om wederzijdse verwachtingen en beelden over elkaar boven tafel te krijgen, win je juist tijd.'

Maatschappelijke betrokkenheid

Eind mei 2020 werd de deal beklonken. Binnen de afgesproken deadline, wat vrij uitzonderlijk is bij dit soort trajecten. De Blok: 'Dat was een mooie sessie waarin iedereen met waardering terugkeek op het proces dat we met elkaar hadden doorgemaakt. Je voelde de maatschappelijke betrokkenheid. Centraal stond waar we het voor doen. Dat we belangrijk willen zijn voor mensen, medewerkers en problemen in de samenleving willen helpen oplossen.'

Financiering 

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Bart Kiers

Bart Kiers schrijft zowel over cure als care. Zijn aandachtsvelden zijn de ziekenhuizen, medisch specialisten, wijkverpleging en ouderenzorg.



Figure 9: Zorgvisie: Steward Ownership at Buurtzorg (Kiers, 2020)

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Table 3: An overview of the accepted and rejected hypotheses

Questions used for interviews and cases

Questions developed for the expert interviews

1. What is Steward Ownership?

What definition do you use, and why? Is there a good definition in the literature?

2. What are the benefits and disadvantages of Steward Ownership for firms?

Why do you promote Steward Ownership? What advantages and disadvantages do you mention to entrepreneurs? Why is the model not more known?

3. For which companies is Steward Ownership a suitable ownership structure?

Certain size, mission, goal, growth, strategy, or founder necessary? On what things depends the suitability. Who decides if the model is suitable?

4. Are steward-owned companies successful in their financial performance, and do they achieve high firm value?

How are the performance and value compared to other structured companies? What experiences do you have with the performance and value of steward-owned companies?

5. How do steward-owned companies counter the possible negative effects of founder control, not going to market, and no shareholder activism?

Active shareholders can have advantages for a company; is this not missed in steward-owned companies? If not, how is this possible? Who intervenes in bad times?

Can steward-owned companies find enough capital to finance their growth? Does the amount of available capital limit fast growth?

6. Do Steward-owned companies not miss the founder's professional and managerial skills? If not, where do Steward-owned companies find these skills?

7. Is it possible to implement Steward Ownership worldwide or in particular countries, especially with the stakeholder perspective?

Do companies in certain countries experience difficulties with implementing?

8. What is the added value of implementing the Steward Ownership structure into a company for the founders and managers of a company?

Can you give a summarising answer to the main research question?

Questions developed to create the cases

1. Summary of the company

What is the company's key activity? What product or service does the company deliver to its customers? In what industry? What is the company's mission? How is the size of the company?

2. Why was Steward Ownership a suitable structure for the company?

What were the reasons for implementing Steward Ownership? How did the company get the idea to look at Steward Ownership as an ownership structure?

3. How is Steward Ownership implemented at the company?

What specific structure is implemented? Who are the stewards? How is ownership divided?

4. What are the benefits and disadvantages of Steward Ownership for the company?
5. Is the company successful in their financial performance, and do they achieve high firm value?

How developed the numbers of the company after implementing Steward Ownership? How did the financial performance go? Was there growth, stability, or decrease visible? Also in other numbers such as the number of employees.

6. How does the company counter the negative effects of founder control, not going to market, and no shareholder activism?

Shareholder activism has some advantages that are missed in your company. How does the company handle things that shareholders normally handle? For instance, intervening in bad times. No IPO is used, and in literature, it is stated that this is necessary for high growth.

How did the company receive enough funding for growing?

7. Does the company miss professional and managerial skills, or is this prevented?

The founder of the firm is not replaced, so it might be possible that professional and managerial skills would be missing? Is this the case, and if not, how did the company solve this possibility?

8. Did the company experience any country-specific factors that influenced the implementation of Steward Ownership?
9. Does Steward Ownership have enough added value for the company that the company would suggest the model to other companies?

What are the experiences with the Steward Ownership now? Would the company suggest the structure to other companies? If yes, to which companies and to which not?

Cases overview

Company	Bosch	BuurtzorgT	OGC	Ziel
Summary of the company	German leading global supplier of technology and services. The company wants to develop products that improve quality of life	Dutch mental healthcare organisation that wants to provide the best care possible with professional teams in the environment of the clients	American large independent distributor of organic produced food. The company wants to make the world a better place with organic food	American start-up that produces on-demand, local, and sustainable clothing to solve the sustainability problems of the fashion industry
Why was Steward Ownership a suitable structure for the company?	The founder wanted to protect his company after his death, especially when there would be no successor in the family	The company needed capital to finance its growth but did not want to lose ownership and the focus on the mission	OGC found out that its old structure was not sustainable and that the mission and stakeholders of the company should be more focussed on	The founder of Ziel wanted to protect the company from the start from losing its sustainable mission or selling to a large company
How is Steward Ownership implemented at the company?	Trust-foundation model: shares divided to family, stewards (KG), and foundation	Economic shares owned by investor, control rights by stewards, and veto share by	Trust with committee owns OGC and oversees the company. Boards daily	Four types of shares: founder, steward, golden, and investor shares

		foundation	runs OGC	
What are the benefits of Steward Ownership for the company?	Economic independence, entrepreneurial freedom, mission protected, largely investing in innovation, contribution to charity	Protecting mission, no profit maximisation and shareholder pressure, no takeover possible, capital injection without losing control	Focus on stakeholders & mission, fast pivoting, stability, customer loyalty, mission-aligned investors	Protecting purpose, capital injection without losing control, no takeover possible, stimulation of innovation, motivated employees
What are the disadvantages of Steward Ownership for the company?	No negative effects described in open sources	Takes time to implement structure, laws and regulations, uncertainty about future stewards, financial less beneficial for founders	Complexity of implementing, difficult to find employees, difficult to arrange stakeholder participation	Less capital available from investors
Is the company successful in their financial performance, and do they achieve high firm value?	Yes, Bosch does an outstanding job: revenue 78 billion, profit 4 billion, 400 thousand employees. Only ROA is lower than average	Yes, performance and value is above expectations. The company is satisfied with growth of revenue and teams	Yes, financial performance exceeds expectations, and the company created a healthy balance sheet	Probably, there is growth potential visible in the US, but as a start-up the determination of the successfulness has yet to come
How does the company counter the negative effects of founder control?	There is no founder control, Bosch is managed by professional managers	The company believes founder control has no negative influence. Only financial reward for founders is lower	Founder control has no effect because founders are all replaced	The founder is motivated and has experience. Team members have voting rights and make decisions. Financially, the founder receives some dividends and is satisfied with less
How does the company counter the negative effects of not going to market?	Last ten years revenue grew with more than 200%. This was financed without public shares. Capital seems to have no negative influence on the company's growth	The company does not expect to need more capital in the following years, but when necessary, it is possible due to already made agreements	It is expected that there is enough capital to keep growing but when more is needed this is possible with current investors	The existing investments provided enough capital to become a mature company, when more is needed there are options
How does the	Bosch has a	Steward are	The board	Employees and

company counter the negative effects of no shareholder activism?	board of ten stewards who act as shareholders, and family and foundation give advice. Shareholder activism is probably not missed	responsible to intervene. Shareholder activism is believed not to be missed because the steward protect the company's interests	intervenes, the committee oversees and intervenes, and stakeholders can intervene via enforcer. Enough people can intervene so shareholders are not needed	board of advice will intervene when necessary. Shareholders are not missed because several people can intervene and give advice
Does the company miss professional and managerial skills, or is this prevented?	No, this is prevented by experienced professional stewards who lead the organisation	No, this is prevented by training current employees and hiring new directors / managers	No, there are experienced and skill rich members on the board and committee. Executives are added and old founders are still active in governance	Because of the addition of new executives and the company's motivated employees, Ziel does not see a problem of missing skills
Did the company experience any country-specific factors that influenced the implementation of Steward Ownership?	Not known	Yes, it is difficult to implement in the Netherlands because of missing and not supporting regulations and a lack of examples	Poorly, implementing in shareholder-oriented US was doable. Only examples of other companies are missing	Not known
Would the company suggest the model to other companies?	Not known	Yes	Yes	Yes

Table 1: Cases overview

Complete interviews

Below, the complete interviews conducted for this research can be found.

Interview with employee / director at BuurtzorgT

A: Waarom heeft BuurtzorgT Steward Ownership geïmplementeerd?

B: Wij zijn een zorgaanbieder. Een GGZ aanbieder. Wij zijn de meest snelgroeiende GGZ aanbieder in Nederland. En wij hadden gewoon kapitaal nodig om de groei te kunnen bekostigen. Dan komen er al heel snel allerlei investeringsmogelijkheden op het pad. Dat zijn vooral Private Equity fondsen waarbij altijd winstmaximalisatie voorop staat. Die willen zoveel mogelijk geld halen uit hun investering. Het liefst zelfs nog in een paar jaar. Zij willen graag de organisatie doorverkopen tegen een meerwaarde. Dat was voor ons heel makkelijk. Wij hadden BuurtzorgT makkelijk kunnen verkopen aan een private equity partij uit bijvoorbeeld China. Die hadden er dan hartstikke goed voor betaald. Dus dat was de eigen portemonnee ook erg interessant geweest. Maar wij wilden de missie en visie van BuurtzorgT behouden.

In ieder geval dat dit voor de komende tijd veilig is gesteld. Want waarom bestaat nou BuurtzorgT, was is de missie en visie en waarom verlenen wij zorg.

A: Hoe zijn jullie op het idee gekomen van Steward Ownership?

B: Via via kwamen wij met Purpose in gesprek. Wij dachten bij Purpose als eerst dit klinkt eigenlijk te mooi om waar te zijn. Waarom zou een investeerder willen investeren in een bedrijf zonder daar winst uit te willen halen. Zonder dus aan winstmaximalisatie te willen doen. Die vraag moet je ook nog maar eens bij Purpose stellen maar ik kan je er wel alvast wat over vertellen. Achter Purpose zitten tientallen zeer vermogende families. Die zijn al schat hemeltje rijk. Die kunnen dus investeren om nog rijker te worden of ze kunnen een ideëel nastreven. Dat tweede doen ze dus door een deel van hun vermogen beschikbaar te stellen voor dit soort ideële investeringen. Het zijn een aantal hele grote voornamelijk Duitserse en Zwitserse families. Die ooit een eigen bedrijf hebben opgezet en daarmee erg succesvol zijn geworden. Een voorbeeld hiervan is bijvoorbeeld Bosch. Zij zijn een bedrijf geworden die nu investeren in Purpose investeringen of doel investeringen.

Wat het belangrijkste is in de investering die wij hebben gedaan met Purpose is dat Purpose is een soort consultancy bedrijf dat ons begeleidt naar Steward Ownership. En om dit mogelijk te maken investeren zij ook in ons. Maar dat zijn dus twee losse dingen. Zij investeren in ons en tegelijkertijd maak je dus de afspraak dat de investering tijdelijk is en dus eigenlijk een kapitaal versterking. Dus wij hebben nieuwe aandelen uitgegeven en deze nieuwe aandelen hebben zij gekocht. Als BuurtzorgT de komende jaren fors doorgroeit hebben we voldoende kapitaal om deze aandelen terug te kopen. Die kopen wij dan terug tegen de nominale waarde. Oftewel, Purpose wordt niet rijker van het hebben van die aandelen. Wel is het zo omdat het nieuwe aandelen zijn wij hebben afgesproken dat we dividend betalen. Vergelijk het eens met het normale rente betalen over een lang lopende lening, betalen wij dividend over het kapitaal dat zij hebben verstrekt. Over bedragen en dergelijke doen wij nooit uitspraken. Die zie je ook niet in de media. Maar je moet je het dus voorstellen wij hebben alle bestaande aandelen ingekocht. Die heeft de organisatie ingekocht van de oud aandeelhouders. Vervolgens hebben ze nieuwe aandelen uitgegeven. Dat zijn zogeheten Steward aandelen. Dat zijn aandelen met zeggenschap. Die zijn 1 cent. Het is de bedoeling dat dit mensen uit de organisatie zijn. Het zijn als het ware de hoeders van de organisatie, de missie en de visie. En wij hebben preferente aandelen uitgegeven. Dat zijn aandelen zonder zeggenschap. Die zijn naar Purpose gegaan. Die kopen wij dus terug over een paar jaar. En we hebben een veto aandeel gekocht. Dat veto aandeel zit in een speciale stichting en dat doen eigenlijk alle organisaties die zijn overgegaan naar Steward Ownership. Want daarin zit een veto recht. Want stel je nou eens voor dat wij naast GGZ zorg opeens bedenken ook om bloemen te gaan kweken, iets totaal anders, of weet je wat als bestuurder lijkt het me ook wel leuk om een miljoen te verdienen dan kan het veto recht ingrijpen en zeggen van ho ho dat is niet echt de bedoeling.

A: In dit veto recht zit dan de investeerder, Purpose, bij in?

B: Nee dat niet. De stichting het toevallig wel Purpose. Nou ja, niet helemaal toevallig natuurlijk. Purpose Evergreen is de investeerder. Die hebben een juridisch vehicle opgericht. Dat is een instelling en die beheren alle veto rechten. Dat is de Purpose Stiftung. Daar zitten alle veto rechten, de golden shares, van alle organisaties die zijn over gegaan naar Steward Ownership. Die doen verder niks. Daar hoor je het hele jaar niks van.

A: Dus puur ter bescherming van het bedrijf?

B: Ja precies.

A: Ze grijpen dus in wanneer beslissingen worden genomen die tegen de missie van het bedrijf in gaan?

B: Exact. En dan is dat ook nog eens in de statuten limitatief opgenomen welke onderwerpen dat betreft. Stel ik zeg dat ik een nieuwe auto nodig heb dan mag dat gewoon en kunnen ze niet direct ingrijpen. Dan heb je dat er constant over je schouder wordt meegekeken. Het gaat over een zevental fundamentele onderwerpen. Deze onderwerpen raken allemaal de missie en de visie of zelfverrijking. Dus het onttrekken van geld uit de organisatie.

A: Oke dat klinkt heel mooi.

B: Ja dat is zeker heel mooi. Tegelijkertijd zijn wij de eerste zorgorganisatie in Nederland maar misschien ook wel ter wereld en dat maakt ook dat wij bijvoorbeeld volgende week gaan zitten met onze raad van commissaris en aandeelhouders om te gaan kijken hoe we Steward Ownership in de toekomst gaan vormgeven. In het boekje is het 1. Maar het in de praktijk brengen is toch wel wat lastiger. Wie zijn nou in de toekomst de stewards? Zo'n steward is wel de hoeder van de organisatie.

A: Op dit moment zijn er twee stewards en dit zijn de oprichters?

B: Ja dat klopt. Hier hebben we voor het gemak voor gekozen. Dat zijn inderdaad de oud aandeelhouders en de oprichters en die zijn nu dus steward. De heren zijn allebei 60 tot 65 en die blijven dus niet tot in de eeuwigheid. Dus we zijn nu wel aan het kijken, hoe kunnen we nou als organisatie mensen uit de organisatie verkrijgen die geschikt zijn om de steward rol op zich te nemen. Dus kijken we naar, wat is nou precies die steward en wat doet die dan? Moet die wat vinden van het kopieerapparaat of van de auto of van de beloning? Waar moet die wel wat van vinden en waar moet die vooral niet wat van vinden? Dus dat gaan we uitzoeken. Vervolgens kijken we naar de verhouding tussen de steward en de raad van commissarissen. Dat zijn allemaal van die exercities die nog niet zijn uitgevonden.

A: Dit komt dus doordat jullie een van de eersten zijn die de structuur gebruiken en hebben geïmplementeerd? Dus je moet nog een beetje uitvinden wat alles inhoud en wat wat allemaal is?

B: Ja. En daar komt nog bij dat de Duitse wetgeving wat verder is op dit gebied dan de Nederlandse wetgeving. In Nederland heb je gewoon standaard structuren bv, nv, vof. Wat wij doen is een soort van sociale bv creëren. In Duitsland hebben ze daar inmiddels ver gevorderde plannen voor om daar een rechtsvorm voor te schrijven en in Nederland is dat nog niet. Dus wij proberen Steward Ownership binnen een bv vorm te geven.

A: Maar jullie maken geen gebruik van Duitse wetgeving maar alleen van Nederlandse?

B: Nee niet van de Duitse. Wij zijn een Nederlandse organisatie dus wij moeten proberen om de binnen de Nederlandse wet- en regelgeving Steward Ownership vorm te geven. Dat betekent dat wij een driehoek tussen het bestuur, de steward en de raad van commissarissen. De spelregels in die driehoek moeten we nu verder gaan vormgeven in de praktijk. Dat staat ook in een van jouw vragen. Ben je tevreden over de structuur en zou je het andere organisaties aanraden. Dan zou ik zeggen ja, ik vind het prachtig. Steward Ownership heeft echt voor een heel groot deel van de organisaties de toekomst. Maar we moeten dan wel met elkaar wet- en regelgeving gaan creëren dat dit ook mogelijk wordt gemaakt. Dan moeten we dus goed kijken naar het buitenland, zoals ik al zei Duitsland is een stuk verder dan wij zijn op dit gebied. Dat moet je ook maar eens vragen aan de mensen van Purpose hoe de wetgeving in Duitsland eruit ziet. Daar zijn ze er gewoon echt verder mee en er in ieder geval echt over aan het nadenken en dat gebeurt in Nederland nog niet.

A: In welke fase hebben jullie Steward Ownership geïmplementeerd? Het lijkt vooral geschikt op het moment dat je kapitaal nodig had klopt dat?

B: Nee dat klopt niet helemaal. Dat moet je eigenlijk een beetje los van elkaar zien. Bij ons was het zoeken van een investeerder het gevolg van de groei van BuurtzorgT. Maar bij andere organisaties kan dit natuurlijk op een heel ander moment komen. Ik kan me bijvoorbeeld voorstellen als de oprichter of eigenaar van een bestaande bv denkt, joh ik ga bijna met pensioen, dus ik wil mijn aandelen verkopen maar ik wil niet dat de missie en visie van mijn bedrijf veranderd. Dus in dit geval kan ik mij ook voorstellen dat de aandeelhouder zijn aandelen wel wil verkopen omdat hij er zijn hele leven voor heeft gewerkt dus ik wil wel een eerlijke beloning krijgen. Dat hoeft niet de hoofdprijs te zijn. Het hoeft geen Chinees Private Equity investeerder te zijn die mij tientallen miljoenen betaald. Ik wil er wel een leuk zakcentje aan overhouden. Maar het belangrijkste is dat mijn bedrijf blijft voortbestaan. Dan kan je dus Steward Ownership implementeren zonder dat dat gepaaid hoeft te gaan met een kapitaalinjectie. Dat zijn dus twee losse dingen. Als je vanmiddag met Purpose praat, Purpose Evergreen Capital is investeerder, maar ze hebben ook een consultancy bureau. Ze hebben een advies poot en een investering poot.

A: Hebben jullie hun dan ook betaald voor advies of alleen de dividend?

B: Nee hoor wij betalen alleen de dividend. Dat doen wij. Maar dat kan bij elk bedrijf anders zijn.

A: En voor jullie is de missie van het bedrijf bewaken het belangrijkste voordeel van Steward Ownership?

B: Ja. Dat de identiteit of het DNA (misschien is dat wel de beste manier om het te zeggen) behouden blijft. Wij willen dus niet dat een investeerder, een private equity fonds, wij zeggen wel eens voor de grap een Chinees die tientallen miljoenen heeft, die willen wij niet als eigenaar. Dan raak je namelijk dat DNA kwijt want dan krijg je iemand die vanuit de VS of China gaat meekijken en zegt van hé die winst kan wel iets hoger. Dat willen we niet.

A: En andere investeerders opties zoals een Business angel hebben jullie daar nog naar gekeken of is vooral de vergelijking gemaakt tussen Steward Ownership en private equity?

B: Nou wij hadden wat haast dus we hebben niet alles vergeleken. Wat je wel ziet vooral in de zorg is iets wat bijvoorbeeld ook GGZ noord holland noord heeft gedaan, is een obligatietraject. Je vraagt een rating aan. Het liefst krijg je dan een triple A rating en op basis daarvan schrijf je een obligatie uit. Dan versterk je ook je vermogen. Maar dat zijn trajecten die langlopend zijn, dat heb je niet binnen een aantal maanden geregeld. Zeker zo'n rating, dat kost gewoon veel tijd. Dat was een mogelijkheid geweest en ook in Nederland heb je ook een aantal investeerders waar we mee gesproken hebben die ook geïnteresseerd zijn in het investeren in zorgorganisaties. Maar bij allemaal zit daar op een of andere manier een belang van een derde achter. Zowel bij obligatiehouders als bij investeerders hebben ze dit belang.

A: Ja de meeste investeerders zullen een winsttoogmerk hebben.

B: Ja. En dat is het mooie bij Steward Ownership is dit winsttoogmerk er niet. En daarbij moet ik ook zeggen dat Purpose, die bij ons hebben geïnvesteerd voor een kapitaalinjectie, die zeggen dus vervolgens wij zijn aandeelhouders zonder zeggenschap dus je hoeft ons ook niet te informeren. Wij gaan niet over jullie schouders meekijken. Hoe jullie zorg verlenen zal ons een zorg zijn. Dat is jullie business.

A: Maar zij zijn dus alleen geïnteresseerd in wat basis informatie bijvoorbeeld wat financiële informatie?

B: We hebben afgesproken elk kwartaal een evaluatie te delen zoals de winst en verliesrekening en we geven uiteraard een jaarrekening.

A: Nog een keer over de structuur. Die heb je goed uitgelegd dus volgens mij kom ik er wel uit maar je hebt dus drie verschillende rechten het veto recht bij de stichting en het eigenaarschap bij de founders.

B: Het belangrijkste is in de structuur blijven het zeggenschap en het eigendom gescheiden. Dat is het belangrijkste in de structuur. Dus je hebt drie soorten aandelen. De winstrecht loze aandelen, dat zijn de aandelen die de stewards hebben en dat zijn de aandelen met zeggenschap. Vervolgens heb je de preferred shares, dat zijn de aandelen waar het eigendom ligt. Die liggen nu bij Purpose. Dan heb je nog een aandeel over en dat is de zogeheten golden share en dat is het veto aandeel. En het belangrijkste daarbij is dus dat bij de eerste categorie die ik noem daar zit het zeggenschap en bij Purpose zit het eigendom. En wanneer over een aantal jaar BuurtzorgT die aandelen terug koopt van Purpose dan is ook strikt genomen juridisch BuurtzorgT van zichzelf geworden. Want dan heb je namelijk geen eigendomsaandelen meer want die heeft BuurtzorgT dan zelf.

A: Oke en daar zijn jullie dus nu naar aan het kijken als dat eigendom weer terug gaat naar de organisatie wie worden dan de stewards vanuit de organisatie zelf.

B: Ja precies.

A: Bij Purpose zullen ze ook ervaring hebben met bedrijven die al in de fase zijn geweest neem ik aan?

B: Dat denk ik wel maar dat zijn geen Nederlandse bedrijven.

A: Maar jullie vragen Purpose wel om wat advies over de volgende fase straks?

B: Ja zeker. Daar hebben we het uiteraard wel over. Zij willen natuurlijk ook dat wij die aandelen niet te snel terugkopen. Daar zit voor hun natuurlijk een klein stukje winstmaximalisatie.

A: Ja want dan stopt het uitkeren van het dividend ook.

B: Ja precies.

A: Jullie hebben geen termijn afgesproken het is gewoon wanneer het kan kopen jullie de aandelen terug?

B: Nee hoor. Er zijn natuurlijk wel allerlei scenario's besproken maar geen termijnen.

A: Dat snap ik, je kunt natuurlijk berekeningen maken van wanneer dat ongeveer zal gebeuren.

B: Precies.

A: Hoe zag de structuur van BuurtzorgT eruit voordat jullie Steward-owned werden? Waren er toen al investeerders of was het eigendom alleen in handen van de oprichters?

B: Puur eigendom. Je had twee aandeelhouders, twee eigenaren en dat was het.

A: Oke en deze eigenaren zijn van plan om bij de organisatie te blijven in de toekomst?

B: Ja zeker, als steward.

A: En in de toekomst zullen ze dit dan waarschijnlijk over willen dragen binnen de organisatie?

B: Ja, dat is geen waarschijnlijk meer, dat is wel zeker. De heren zijn allebei rond de 65. Dus het is duidelijk dat deze stap een keer genomen moet worden. Alleen wanneer en hoe we dat gaan doen daar zijn we dus nu mee bezig.

A: Snap ik dat is de vraag waar jullie nu naar kijken. Je had al iets verteld over dat jullie met Purpose in aanraking waren gekomen en dat jullie toen naar het model zijn gaan kijken.

Maar kun je nog wat meer vertellen over hoe jullie op het idee zijn gekomen om Steward Ownership te gaan toepassen want het is nog niet heel bekend?

B: Nee dat klopt. Zoals ik al zei hebben we met heel veel mensen gesproken in deze markt. We hebben gesproken met meerdere partijen die investeringen doen. In die markt ben ik zelf ook niet helemaal thuis. Maar via via zijn we toen in gesprek gekomen met Armin Steuernagel. Ik weet niet of je al over hem hebt gehoord.

A: Ja zeker.

B: Hij is ook de schrijver van dat boek van Purpose. Hij is een jonge jongen die enorm bevlogen is op dit onderwerp. Je moet zeker zijn TED Talk even kijken even kijken op Youtube. Daarin zie je heel goed wat zijn drive is rondom Steward Ownership. Toen hebben we dus gesproken met Armin en toen is het eigenlijk gaan lopen.

A: Maar was de beslissing om een investeerder te zoeken die meer aandacht had voor de doelstelling van het bedrijf en dit wou behouden al wel gemaakt?

B: Ja wij keken echt al wel verder dan de normale investeerders. Je kan eigenlijk wel zeggen dat het behouden van onze doelstelling echt al wel een harde eis was.

A: De voor- en nadelen hebben we al vrij goed besproken maar zijn er naast de wet- en regelgeving die je noemde nog andere nadelen die jullie merken?

B: Nou wat ik ook al zei in het boekje is het 1 maar om het nu allemaal in de praktijk te brengen vergt het wel wat om alle spelregels duidelijk te krijgen.

A: En dat kost neem ik aan veel tijd.

B: Ja zeker, dat kost erg veel tijd. En daar zijn we dus nu erg druk mee bezig.

A: Maar andere nadelen hebben jullie nog niet gemerkt?

B: Nou niet echt. Ik kan me natuurlijk voorstellen dat voor een aandeelhouder het een nadeel kan zijn dat je wat minder geld krijgt voor je aandeel ten opzichte van een normale private equity deal. Maar dat is natuurlijk voor mij en het bedrijf geen nadeel.

A: Voor BuurtzorgT is het enige nadeel dat het toepassen van wet- en regelgeving veel tijd kost?

B: Klopt. Voor de rest niks. Wij zijn natuurlijk formeel ook pas sinds deze zomer op Steward Ownership overgegaan dus verder hebben wij nog geen nadelen gemerkt.

A: Oke, dat is voor jullie natuurlijk een goede zaak. Is het bij jullie in de toekomst nog mogelijk om bijvoorbeeld weer te gaan kijken naar private equity of is Steward Ownership het blijvende model?

B: Nee absoluut niet de bedoeling. Steward Ownership is wel onze blijvende structuur. Dat is natuurlijk ook beschermd. Want stel je voor wij zetten een handtekening onder de deal die wij met Purpose hebben gesloten maar vervolgens zeggen we doen het toch niet. Dat kan natuurlijk niet en daarom is dat ook vastgelegd. BuurtzorgT kan niet verkocht worden.

A: Oke. Ik dacht misschien kun je hier alleen naar kijken op het moment dat jullie BuurtzorgT weer hebben terug gekocht en eigendom weer terug is.

B: Nee ook dan kan dat niet meer. Het is echt een blijvende structuur. We hebben ook afspraken gemaakt dat als er investeerders bijkomen dat minimaal moet voldoen aan de eisen die we nu ook hebben gesteld. Een nieuwe deal met een andere investeerder kan alleen worden gesloten als de omstandigheden hetzelfde zijn of het liefst natuurlijk nog beter.

A: Je vertelde dat je nu eigenlijk nog bijna geen nadelen ziet van de structuur. Betekent dit dat je de structuur zou aanbevelen aan andere bedrijven?

B: Ja zeker.

A: En is dit dan vooral geschikt voor bepaalde soorten bedrijven? Bijvoorbeeld bedrijven in een sociale maatschappelijke hoek.

B: Nee zeker niet. Ik verwacht zelfs dat Steward Ownership voor heel veel zorginstellingen niet geschikt is omdat het vaak stichtingen zijn. De structuur is heel moeilijk te effectueren voor een stichting. Je moet eigenlijk een aandelenstructuur hebben dus een bv.

A: Oke je moet dus nu een bv zijn die zijn doelstelling in de toekomst wil behouden om Steward Ownership te gaan overwegen?

B: Ja precies. Ik zie juist heel veel mogelijkheden buiten de zorg. Bijvoorbeeld in de logistiek of andere markten. Daarom wordt er nu ook wel met internationale belangstelling naar ons gekeken van wat heeft BuurtzorgT nou precies gedaan en hoe vergaat het ze.

A: Maar het kon bij jullie juist omdat jullie nog een bv waren met maar twee aandeelhouders?

B: Juist.

A: Hoe is de financiële prestatie en de waarde van BuurtzorgT ontwikkeld nadat Steward Ownership is geïmplementeerd? Is er groei zichtbaar?

B: Zoals ik al vertelde hebben wij bij BuurtzorgT mede ten behoeve kapitaal gekozen voor de Steward Ownership structuur. Via onze investeerder, Purpose, hebben wij kapitaal bemachtigd dat onze groei moet financieren. Deze groei is al goed zichtbaar. Zo is de omzet van BuurtzorgT het afgelopen jaar met 39% gestegen. Dit in een corona jaar waarin heel veel andere (mentale) zorginstellingen het moeilijk hebben gehad. Dit is mogelijk gemaakt door de kapitaal verstrekking. De groei is ook zichtbaar in het aantal teams waarmee wij werken. 31 december vorig jaar hadden we 41 teams en dit aantal is op het moment al gegroeid naar 50 teams. In totaal nu ongeveer 320 medewerkers.

A: Is deze groei naar verwachting?

B: Deze groei is zelfs nog beter dan verwacht. Wij hebben een voorspelling van onze groei en daar ligt de huidige groei een klein stukje boven. Daar zijn we erg tevreden mee.

A: Volgens literatuur zouden in bedrijven waar de stichter het bedrijf niet verlaat en leiding blijft geven professionele en management skills missen. Is dit bij BuurtzorgT het geval? Zo niet, hoe is dit opgelost?

B: Erg interessante vraag. Nico Moleman, onze stichter, is op dit moment 65 jaar. Hij is er dus over aan het nadenken hoe hij nu op een gegeven moment kan gaan stoppen. Om dit te regelen zijn ben ik bijvoorbeeld aangetrokken. Ik ben sinds maart dit jaar bestuurder geworden van BuurtzorgT. Wat je ziet is dus dat wij binnen BuurtzorgT bezig zijn met het aan boord brengen van kwaliteit. We willen een vacuum voorkomen tussen het moment dat de stichters vertrekken en er nieuwe leiders moeten ontstaan. Daarom zijn we nu nieuwe stewards die straks deze taken gaan overnemen aan het opleiden.

A: Deze mensen komen voornamelijk uit de eigen organisatie?

B: Ja dit zijn mensen die vooral nu als bij ons werken. Dit zijn mensen met het echte BuurtzorgT DNA, die zich echt geroepen voelen zich in te zetten voor de organisatie.

A: Ingrijpen van aandeelhouders kan soms positieve effecten hebben. Hoe vult BuurtzorgT dit gat in? Wie grijpt er in wanneer het slecht zou gaan met het bedrijf?

B: Ook weer een goede vraag. Dit wordt gedaan door de bestuurder en de stewards. Ik leg dit vaak als volgt uit. Stel BuurtzorgT is een zeilboot. De stewards bepalen de koers. Maar er is ook een kapitein, de bestuurder, die bepaalt de weg. De stewards bepalen we willen naar London, de bestuurder bepaalt we gaan via het Kanaal. Als de weg te lang zou worden als de bestuurder bijvoorbeeld bepaald we gaan via New York. Dan zullen de stewards ingrijpen. De aandelen zijn ook zo verdeeld dat de aandelen met zeggenschap bij de stewards liggen.

De aandelen met eigendom liggen nu bij de investeerder en later worden deze weer van de organisatie zelf. Je kunt wel regelen dat de eigenaren van de eigendomsaandelen wel inbreng kunnen geven. Maar uiteindelijk zijn de stewards dus verantwoordelijk voor het bepalen van de koers en ingrijpen wanneer dit nodig is.

A: Je hebt al veel verteld over het kapitaal binnen BuurtzorgT. Maar als laats zou ik graag willen weten of BuurtzorgT voldoende kapitaal heeft voor de komende jaren om te blijven groeien? Wanneer meer kapitaal nodig is kan dit dan worden geworven binnen de huidige structuur?

B: Wanneer er meer kapitaal nodig is kan dit geregeld worden. Dan hebben we afgesproken minimaal dezelfde deal te willen als die we nu met Purpose hebben. Maar dit is niet nodig.

A: Jullie hebben de verwachting dat er voldoende kapitaal is om te blijven groeien?

B: Ja. Wij hebben hier natuurlijk ook over nagedacht. Dus er zijn al afspraken gemaakt met de investeerder over het verstrekken van meer kapitaal. Wij hebben wel rekening gehouden met het feit dat de organisatie heel snel kan groeien en dat er meer kapitaal nodig zou zijn. Hier hebben we dus al afspraken over gemaakt waardoor dit goed te regelen is. Maar het lijkt er nu niet op dat dit nodig gaat zijn.

Interview with employee / manager at Ziel

A: Zou je een beschrijving kunnen geven wat jullie bij Ziel precies doen? Wanneer zijn jullie begonnen? Wat is jullie missie enzovoort?

Z: Ziel is opgericht in 2015 in Amerika door Marleen Vogelaar. Ze zijn begonenn met active wear

A: Waarom specifiek met deze kleding?

Z: Omdat Marleen een verleden heeft in de sport en ze hier veel mensen kende.

A: Ja precies.

Z: Ziel neemt het proces van duurzame kleding produceren over van bedrijven. Dit proces bestaat uit een heel aantal verschillende stappen zoals het kiezen van de juiste stof, het maken een vorm, het produceren, het in beeld brengen van de verduurzaming. Zie hiervoor ook de website van Ziel.

Lange uitleg over bedrijfsmodel. Hier weggelaten aangezien samenvatting van het bedrijf voldoende is.

Z: Bij Ziel hebben we de middelen en kennis om de verduurzaming van kleding uit handen te nemen van bedrijven die dit niet kunnen. In het huidige mode milieu kopen grote warenhuizen als H&M en Zarah elk jaar enorme hoeveelheden kleding in die met containers over de wereld worden gebracht. In Nederland bijvoorbeeld hebben veel mensen ongeveer dezelfde maten. Aan het eind van het jaar blijft er veel kleding over en dit wordt vernietigd. Voordat bepaalde kledingstukken geproduceerd zijn zijn ze vaak al 7 keer de wereld rond geweest.

A: Dit klinkt inderdaad als een groot probleem. Dit willen jullie oplossen?

Z: Het is de missie van Ziel om de kledingindustrie te verduurzamen. Ze maken on-demand en met eigen productie kleding.

A: In welke fase zijn jullie gaan nadenken over Steward Ownership en hoe kwamen jullie op het idee?

Z: Marleen Vogelaar had een ander bedrijf opgericht en verkocht. Hier hield ze een beetje een naar gevoel aan over. Toen ze Ziel oprichtte had ze daarom het idee om het anders aan te pakken. Daarom is Ziel vanaf de start in Amerika een steward-owned bedrijf geweest.

A: Oke, dat is duidelijk. Maar ik heb ook gelezen over jullie nieuwe stap naar Nederland. Daardoor ben ik ook bij jou terecht gekomen. Hoe zit dat precies?

Z: Sinds 2020 is er een tak ontstaan van Ziel in Nederland die zich vooral richten op het creëren van een platform.

A: Ik las ook wat over investeerders in deze tak, zij hebben dus geïnvesteerd in een steward-owned bedrijf?

Z: Ook de Nederlandse tak is Steward owned en er zijn inderdaad enkele investeerders ingestapt. Investeerders die instapten wisten dus dat ze in zee gingen met een steward-

owned bedrijf waardoor ook de investeerders echt geloven in de missie van het bedrijf. Dit is heel anders dan bij investeerders die het doen voor de winst en veel meer kijken naar de financiële cijfers van een bedrijf.

A: Hoe kwam het idee voor Steward Ownership precies bij jullie oprichter Marleen?

Z: Het idee kwam vanuit Marleen zelf. Zij had hierover een sterke mening. Vanuit haar andere bedrijf had ze een enorm netwerk waarmee ze kon sparren en waar advies kon worden opgehaald. Vanuit dit netwerk en de ideeën van Marleen is bedacht om Steward Ownership te implementeren. Doordat dit direct vanaf de start van het bedrijf is gebeurd was het voor alle investeerders direct duidelijk waar ze aan begonnen.

A: Door in haar netwerk met mensen te sparren en het anders te willen kwam het idee van Steward Ownership naar boven?

Z: Ja precies. Het idee is echt gekomen door haar netwerk en haar eigen inzichten. Voornamelijk dus vanuit haar verleden met haar eerdere bedrijf.

A: Welke voordelen van Steward Ownership waren voor jullie belangrijk om de structuur te implementeren?

Z: Het eerste voordeel was het bewaken van onze missie. Wij hebben een sterke missie waarvan we zeker willen zijn dat deze zal worden nagestreefd in de komende jaren. We willen niet dat iemand op een gegeven moment denkt, ach dat duurzame verhaal kan ook wel wat minder. Ik neem het bedrijf over en ga me toch op winst richten. Daarnaast was het belangrijk dat we kapitaalinjecties kunnen verwerken zonder zeggenschap kwijt te raken. We hebben aan de toekomst gedacht en het bedrijf wil een overname door bijvoorbeeld Google of Amazon voorkomen. In veel industrieën zie je dat dit soort grote bedrijven kleine bedrijven opslokken en hun beleid gaan voeren. Wij willen dit niet en hebben dit daarom met onze structuur vastgelegd dat dit niet kan gebeuren.

Z: Daarnaast zijn we bij Ziel altijd bezig met innovatie. We kijken hoe het proces nog sneller kan, hoe fouten kunnen worden voorkomen, en hoe het nog duurzamer kan.

A: Helpt Steward Ownership bij deze innovaties?

Z: Deze constante innovatie wordt enorm gestimuleerd door de structuur van Steward Ownership.

A: Hoe ziet de structuur van het bedrijf er precies uit?

Z: Dit is niet helemaal mijn hoek. Ik weet ongeveer hoe de structuur eruit ziet maar ben niet helemaal de goede man uit ons bedrijf om dit aan jou uit te leggen.

A: Jullie structuur staat ook beschreven in het boek van Purpose, kan ik deze structuur gebruiken?

Z: Dat klopt inderdaad. Die beschrijving klopt wel. Als je meer informatie over de structuur wil weten moet ik de vraag voor je doorzetten naar Marleen.

Z: Bij Ziel hebben alle werknemers een stukje zeggenschap gekregen. Ze hebben aandeel allen met zeggenschap en zonder dividend. Ik merk dat alle werknemers die bij Ziel werken enorm gedreven zijn en echt in de missie van het bedrijf geloven. Dit heb ik in het verleden bij andere bedrijven nog nooit zo sterk meegemaakt. Dit komt door de sterke missie van Ziel en door de structuur waardoor iedereen meer betrokken is.

A: Ziel is zoals ik begreep dus altijd steward-owned geweest er was daarvoor geen andere structuur?

Z: Klopt. De structuur is als startup al direct geïmplementeerd.

A: Je hebt al een aantal voordelen benoemd waardoor jullie steward-owned zijn geworden. Ik ben ook benieuwd of jullie na een aantal jaar ervaring nadelen van de structuur hebben ervaren?

Z: Vanuit het perspectief van de missie zijn er geen nadelen. Althans, wij hebben dat nog niet gemerkt. Doordat de structuur vanaf de start is geïmplementeerd was direct alles duidelijk. Alle werknemers die bij ons zijn gekomen wisten bij wat voor soort bedrijf ze begonnen en welke structuur we hadden. Maar ook de investeerders die in ons geïnvesteerd hebben wisten voordat ze investeerden de structuur van ons bedrijf. Ik denk dat dat veel voordelen heeft gehad. Vanuit een puur financieel perspectief zou je kunnen zeggen dat een nadeel is dat je niet direct enorm veel kapitaal beschikbaar hebt. Er zijn natuurlijk bedrijven die via de Venture Capital hoek veel sneller meer geld beschikbaar hebben. Maar die

bedrijven geven hiervoor hun eigendom weg. Maar als dit als bedrijf gewoon bij je past is dat prima. Wij hebben hier specifiek niet voor gekozen.

A: Verder voldoet de structuur aan jullie verwachtingen, geen tegenvallers?

Z: Nee de structuur bevalt goed. Wij hebben geen setbacks ervaren.

A: Nadat jullie Steward Ownership hebben geïmplementeerd hoe is toen jullie financiële prestatie geweest?

Z: Ziel zit nog in de start-up fase dus daar kan ik nog niet heel veel over vertellen. In Amerika bestaat het bedrijf natuurlijk al wel sinds 2015 en daar wordt al wel echt kleding gefabriceerd.

A: In Amerika is al wel wat groei van het bedrijf te zien?

Z: Ja. In Amerika is ook te zien dat het aantal samenwerkingen met vendors snel stijgt.

A: Vendors wat zijn dat?

Z: Dat zijn samenwerkingen met bijvoorbeeld naaiateliers en fabrieken. Ook zijn er al een aantal grote samenwerkingen met grote mode merken. Het is de bedoeling om dit jaar het platform dat in Nederland wordt gemaakt te introduceren. Het is de verwachting dat dit gaat zorgen voor de ommezwaai van de start-up fase naar de mature fase.

A: Volgens literatuur zou het kunnen zijn dat doordat de stichter zeggenschap en leiding over de organisatie behoudt. Professionele en management skills zouden kunnen missen. Is dit bij Ziel het geval of hebben jullie dit voorkomen?

Z: Het is bij ons al erg duidelijk dat we langzaam de fase naderen waarin we mature gaan worden. De laatste tijd zijn er veel nieuwe managers aangetrokken. Zo ben ik zelf dit jaar begonnen. Het aantrekken van de skills is begonnen bij de samenwerking met onze Groningse investeerder. Dit is ook een vriend van mij en hij heeft vanuit zijn netwerk meerdere veranderingen gemaakt door bijvoorbeeld mensen aan te trekken. Hij was de eerste die veel andere ideeën binnen het bedrijf bracht.

A: Maar de stichter van het bedrijf heeft nog wel de leiding en wil dit ook nog wel behouden?

Z: Marleen heeft nog wel een sterke invloed op het bedrijf en ze is van plan dit ook de komende jaren te blijven houden. Maar door de groei van het bedrijf is het logisch dat meer taken uit haar handen worden genomen. Zo is er een nieuwe CIO begonnen voor innovatie, CMO voor marketing en financiën etc.

A: Bij traditionele bedrijven grijpen aandeelhouders in wanneer volgens hun foute beslissingen worden gemaakt. Wie grijpt er bij Ziel in wanneer foute beslissingen worden gemaakt?

Z: Het ingrijpen zal moeten komen vanuit alle medewerkers. Daarnaast is er een advies orgaan opgericht waarin bijvoorbeeld de investeerders zitten. Zij hebben geen zeggenschap maar zullen wel vertellen wanneer veranderingen nodig zijn of ze zaken zien die niet goed gaan.

A: Is er bij Ziel met de investeringen voldoende kapitaal bemachtigd om de groei de komende jaren te financieren? En als er toch meer kapitaal nodig zou zijn is dit dan mogelijk?

Z: Gebaseerd op huidige berekeningen is met de investeringen van de laatste jaren genoeg kapitaal geworven om te groeien en mature te worden. Uiteraard kunnen er nieuwe zaken ontstaan waardoor meer kapitaal nodig is. Denk bijvoorbeeld aan camera's die gebruikt kunnen worden om fouten in kleding op te sporen. Deze camera's kosten veel geld en zijn nog niet in het huidige budget meegenomen.

Gedeelte met uitleg over innovaties in de kleding industrie weggelaten.

Z: Dan zijn er een aantal stappen mogelijk. Dit kan zijn via subsidie wegen voor innovatie. Je kunt aankloppen met een case bij de huidige investeerders om te vragen of meer budget kan worden geïnvesteerd. Er is volledig vertrouwen in het feit dat voor de komende jaren voldoende kapitaal aanwezig is en wanneer er meer nodig is dit in samenspraak met alle partijen altijd geregeld kan worden.

A: Zouden jullie Steward Ownership aanbevelen aan andere bedrijven? En aan welke dan wel en/of niet?

Goede vraag. Ik zou het zeker aanbevelen aan een aantal bedrijven maar niet aan allemaal. Bedrijven die snel willen groeien en financiële doelen nastreven zou ik Steward Ownership niet aanbevelen. Jongens die bijvoorbeeld in het internet tijdperk snel een enorme business willen opzetten om veel geld te verdienen hebben niks aan Steward Ownership. Die kunnen

beter kiezen voor meer kapitaal en minder zeggenschap. Ik denk dat de structuur echt moet aansluiten bij de missie van het bedrijf. Onze missie is ook echt op de lange termijn gefocust. Dit is denk ik belangrijk om te hebben.

A: Jullie missie heeft ook een sociale maatschappelijke kant. Denk je dat dit noodzakelijk is?

Z: Niet noodzakelijk maar de sociale en maatschappelijke kant van onze missie draagt wel bij aan een goede fit met Steward Ownership.

A: Samenvattend zou ik dus zeggen dat je het aanbeveelt aan bedrijven met een sterke missie, vooral lange termijn gericht en sociale kant helpt?

Z: Ja klopt.

Interview with CEO of Organically Grown Company

A: In which phase did you implement SO at OGC, there was a moment you thought SO is suitable for our company, when was that?

O: That's a great question. We had four different forms of ownership prior to SO. You probably know about this because you read about it. We really got to the point with the ESOP where we found it found it was not going to be a sustainable structure for the company in terms of the required cash to buy out previous employees. What we talked about intensively with our founders, growers, and coworkers what is most important for us in the future. The most important thing was to stay independent and true to the mission. As we looked at that we really needed a form of ownership that would put our mission in our governance structure. So it was the failure of the ESOP and the risks in the market of a acquisition, and the desire to stay true to our values and capturing them in our governance and ownership structure.

A: Okay, and how did you exactly come up with SO, someone told you about it?

O: Well actually, I read a book written by Marjorie Kelly. It was all about ownership and capital. If you not have read something from Marjorie Kelly I would suggest it, she is a great writer. We talked with her and it basically started picking up, we found an attorney working extensively with organic valley coops. First we were looking at, could we, we were a coop before, could we become a coop again. Or are there different options. Then we found SO and looked what can we do here. That is were the Perpetual Purpose Trust is born. Out of many conversations with board and staff and attorney. It is a bit like, if the solution doesn't exist in the marketplace you have to create it. And that was very much were we saw a lot of good options and came to this one.

A: Yes. That is clear. How exactly is OGC structured, I have read a bit about it and saw you have some stakeholders as stewards, can you tell more about that?

O: Yes, sure. Exactly that, we have five groups of stakeholders, our coworker base, which is our staff we call them coworkers, we have our customers, our community, that's the foodbanks, and then our mission aligned investors. It is so key to who we are to listen to this group and listen to their needs. We really see ourselves as an activist organization and a servant to our stakeholders. We give them a lot of power, they are part of the Sustainable Food & Agriculture Perpetual Purpose Trust (SFAPPT), they have a committee that acts as the stewards. They oversee and select the board. There is multiple companies under the trust. The SFAPPT would also select those boards. And the stakeholders, again, would continue to select the SFAPPT. It's a great model in both senses, to have the ability to get information and give input at the top end and at the bottom end they also can make decisions about our strategy, well not really decisions more informing what they think.

A: So you also created a board with the stakeholders?

O: Well actually, the board is all community members. But that is a very interesting piece, a piece that we currently wrestling with. Were do the stakeholders plug in to serve. Right now we do have not have stakeholders on the board. We do have two former staff members on the trust protector committee. And we have one on our trust enforcer group. But other than that we don't have customers or growers actively work with OGC. So that's actually one of the pieces we are currently figuring out where could we put our stakeholders and what is the complexity of that because when we have a grower onboard they would have access to all

our outputs, our financials, our company information. You don't want to actually share that with your customers so it is complex in that sense. You want participation but you also got to be careful about where are the brake lines.

A: Okay. What are the advantages of SO that made the model interesting and eventually you wanted to implement it. What are the advantages of SO for OGC?

O: I think for us it is very powerful in terms of creating a better environment and really embedding the focus on our stakeholders. And ensure this in our government structure. So that's one of the primary advantages, to have that. We are not driven by money. We are really driven by our mission. That was also a very big deal last year during covid, to really be able to pivot. In one week the growers needed extra cash upfront to be able to plant more on their fields and we saw what was happening. We were able to pivot and send an extra 3.5 million dollars out to growers. That is something a traditional company might not be able to do. Or even we with another structure. It also gives a lot of stability and you are focused on making decisions for the right reasons.

A: That sound good. And are there any disadvantages you experienced?

O: I would say only disadvantage I find, we are only a small company, this can look differently but we only have 270 staff, the disadvantage is just that there is a bit of complexity about our governance. And it is difficult to choose were we as leaders want to spend our time. It takes a lot of time and energy to run a proper and healthy company and then to also be kind of implementing a governance structure. For instance, currently we need to spend time on our metrics. That is a complex question and now kind of a big deal. So actually I wouldn't say it is a disadvantage I just would say it takes more time.

A: Is that maybe because the laws and regulations in the US, that it is harder to implement the structure?

O: No, I don't think so. I think it is mostly for more time consuming for smaller companies.

A: Ah okay, and maybe because you don't have many examples of other companies implementing the model?

O: Exactly. It is always hard to go first. And we just had a global pandemic, so we were still trying to take time for implementing but that turned into staying healthy and helping the supply chain during covid.

A: I understand. The US is originally more shareholder oriented than stakeholder oriented, did you not experience any setbacks because of laws and regulations, it is all doable?

O: It is all doable. That is a great question. The only thing for us is that it does not make sense to a lot of companies, they look at us and say, what are you doing, why. We are probably a few decades ahead of the thinking. So we are bringing others along.

A: Yes, you are a bit different from the mainstream American company I think.

O: Yes, I think we always have been a bit in a way.

A: Can you maybe tell a bit about your financial performance or the value of the company after becoming SO?

O: Yeah I can, obviously I can not get too much into details but I can say something about this. Also a little bit difficult because of covid because things changed rapidly unexpected. But financially we have been able to exceed beyond expectations on returns. We were able to create a very healthy balance sheet. I should say we got investors because we were a healthy company. But we definitely have seen our financial performance continue and even become stronger. I can also say that we got a lot more customer loyalty from this. So that is really an important piece too. Customers buy your product but they also buy from who they believe in. At least, in our world, the organic produced products. People really understand what we are doing and why we are doing it.

A: Yes, and this effect of you saying you as a company do it for your purpose, this works on customers but also on your other stakeholders?

O: Oh yes absolutely, great point. The farmers we work with are also interested in SO. But a lot of them also care not that much and only care about us growing and us helping them. Our customers at grocery stores, grocery stores have customers that really care about the story of the product. So for grower it has a bit to do with their business. But for retailers it goes a step further and they can explain to customers who they work with and why. So they often

say to us, you are our most mission aligned vendor. So they are really proud to work with us. So our story goes from them to their customer.

A: In literature, when the founders maintain control, or maybe in your case only a few stewards lead the company, professional and managerial skills could be missing. Do you see this missing at OGC, or do you have a way to prevent this? Did you maybe add people to your team, hire new managers, add an advisory board, these kind of things?

O: Well, that is a very interesting question. We went through multiple transitions at the same time. When we transitioned into the trust we also had three of our founders retiring. One of our, Natalie I tried to connect you with but that doesn't matter, she was running sustainability, HRM, couple of different things in our organisation for 15 years. We had four pivotable members in our team ready to retire. So for me it is a little bit hard to answer that question because it is mixed up. I would say it is always really hard to hire. You want to hire for attitude, aptitude, and skills. And I think in this case, we really worked, I have three new leader on my executives team, we added people to the board, we definitely looked for people with the right orientation and people who were already in our community. As much as possible. Knowing that a lot of what we do can be learned when you enjoy learning. So the most important part is the right attitude and aptitude. In some places you might need the skills, like in financing. But if you don't have that core aligning with what we are doing, if you don't have the passion, we need people who want to change the world with us together.

A: Yes, you need intrinsic motivated people who belief in the company's mission.

O: Yes, exactly.

A: I can understand that might be hard to find.

O: Yes, exactly. That has been our focus and then integrating them, have them learn our history. We have 42 years of very interesting history. But that more like a broader challenge, founder retirement, not only in SO. I think that it was in some ways even easier for us because one of the founders went onto the trust protector committee. Two went on as enforcers. And one retired off of that. That worked really well, they went onto our governance side and really can bring that rich history and that perspective and really infuse that into those leaders on those committees.

A: In companies where you have normal shareholders, these shareholders might intervene when the company is taking a wrong direction. Who can do that in your company, the board you mentioned with these founders?

O: Yes. Absolutely. Excellent question. We have a traditional board so in some ways we run like a very traditional company. So the board would be the first one to intervene. I think that's where the board is always looking at, we try to measure the finance and we try to measure the mission. And then, beyond that you have the trust protector committee overseeing the board. So they get involved, they are like traditional stockholders. They intervene when they see the board making decisions they don't really agree with. And then the trust enforcers really exist if a stakeholder has disagreements, if somebody within one of our stakeholder bases says I don't agree with something they can always file an agreement with our trust enforcers. And potentially the trust enforcers would step in.

A: Yes, and the stakeholders, like customers and employees they say something about decisions or give advice?

O: You know to a degree absolutely. Coworkers most directly, because they best understand the company. But that is less about governance and more about how we chose to run the company. We try to be an open book, share information and be open for input. For the other stakeholder, we always take feedback but it is from their knowledge and orientation so they do not always know about all the pieces of the puzzle. They do not always understand everything. Advice and feedback is useful, when we do strategic planning we ask our stakeholders for input about what they want. Who we also get really good input from are our investors, they see so many types of companies, so we added a stakeholder base that is really critical and helpful for our company, with people that have a global and broad input. I am excited to see where this goes.

A: It sounds that you do have many knowledgeable people who can give advice.

O: Yes, I think the hardest part is always the decision making and moving forward when you have so many different opinions and input. But that is the challenge in business.

A: You already said you have investors. Do you have enough capital to grow in the following years, is that something you already planned?

O: I would say we definitely have enough capital to grow in the way we want to. And then I think one other wonderful thing of our SO is that it allows us to have a preferred stock mechanism that gives you mission aligned investors who support you. I think that is really exiting to have the opportunity to reengage with investors and reinclude them. So at this point it is really healthy, and we see a lot of potential for the future.

A: Okay, currently there is enough capital to keep growing, but when things change and more is needed this is possible to arrange with your investors?

O: Yes, exactly.

A: I have also read that eventually you want to buy back your shares, is that right?

O: Yeah, that is a great question, we have not really determined that. The preferred stock we would like to buy back. That would be a great use of capital. But if we want to buy out all investors is not really a crossed bridge yet, that is a great question for the future. We will see that in a few years. But the investors now are helping us and keeping us growing, so when the time comes we will see.

A: Okay. Already my last question, would you suggest the SO model to other companies? If yes, to which ones and to which ones not?

O: Wow, that is a fantastic question. I would definitely suggest the model to other companies, I think it is very empowering and exiting. I think that it is very important to change the paradigm of capitalism and how capital relates to governance. I think it is a trend that we will see will have a huge impact on the world in the coming decades. In terms of what companies, that is a fantastic question, because we have our alternative ownership advisors and we get all sort of different questions from different types of companies from small restaurants to retailers. There seems to be no real theme for who it will work. It will depend on how much you want to spend on your governance because it will cost time to implement. What you also fundamentally need are creative thinkers that enjoy complexity, if you don't have them it will not work, you need people on the complex level. But for the rest, I can not think of a company for who it would not be suitable. I would suggest it to most companies.

A: Okay, lets quickly look if I missed a question. You implemented SO in 2018?

O: Yes true, in 2018 we converted to the trust.

Interview with Gijsbert Koren from We are Stewards

A: Eerst zou ik je wat willen vragen over de definitie van Steward Ownership. Ik heb daar uiteraard dingen over gelezen en kom dan bijvoorbeeld bij het boek van Purpose. Op jullie website van We are Stewards kom je uit en in de literatuur wordt Foundation Ownership beschreven wat erg op Steward Ownership lijkt. Meer is er in de literatuur nauwelijks te vinden. De term Steward Ownership wordt nauwelijks beschreven. Kun je mij vertellen hoe dit komt?

G: Nou, ja. Ik kan niet voor Purpose spreken. Maar zij hebben volgens mij de term bedacht. Dat is niet heel lang geleden geweest. Ze hebben het ook niet bedacht voor iets wat er nog helemaal niet was. Maar voor iets wat er eigenlijk al is maar wat nog niet echt te begrijpen leek te zijn voor veel mensen. Het is een naam geworden voor iets wat zij graag zien dat meer gepromoot wordt. Het is inderdaad wat je zegt. In Denemarken heb je daar een vorm voor met Foundation Ownership. Maar in Nederland werkt die vorm ook. In Duitsland is die vorm wat complexer. Dat kan iemand van Purpose je ook goed uitleggen. Maar het is lastig voor in stichting in Duitsland om eigenaar te zijn van een bedrijf.

A: Dat is in Duitsland lastiger dan in Nederland?

G: Ja precies. In Nederland is het heel goed mogelijk. Een stichting mag volledig eigenaar zijn van een bedrijf. Daar de vruchten van plukken. En daar zijn ook wel goede voorbeelden van. En als je dat dan Foundation Ownership noemt zijn niet alle foundation-owned bedrijven steward-owned. Je hebt ook stichtingen die het bedrijf misschien gaan verkopen als ze er

super veel geld voor kunnen gaan krijgen. Je herkent dat bijvoorbeeld heel veel in statuten. In statuten wordt of van een bestaand foundation-owned bedrijf bij die stichting bijna onmogelijk gemaakt dat het verkocht kan worden of in ieder geval wordt beoogd een verantwoordelijke eigenaar te zijn door de continuïteit van het bedrijf te borgen of er wordt gesteld dat een van de doelstellingen kan zijn om het geld na verkoop van het bedrijf goed te gebruiken. Dat is heel anders. Dan is het maatschappelijke doel van de stichting belangrijker dan het bedrijf.

A: En dan valt het dus niet onder de noemer Steward Ownership.

G: Precies.

A: En wanneer zou je dan zeggen dat een bedrijf wel echt steward-owned is? Als ze voldoen aan de eisen van winsten dienen de purpose en we blijven purpose driven?

G: Ja inderdaad. En dat laatste betekend dan dat het bedrijf centraal staat. In plaats van als je niks vastlegt dan staat de aandeelhouder centraal en die mag alles doen wat hij wil. En een foundation kan net zo goed een aandeelhouder zijn. Ook al hebben ze hele edele doelen. Dan nog is het shareholder premacy. Maar het laatste punt wat je noemde bij Steward Ownership betekend het bedrijf staat centraal dus we willen dat het blijft bestaan en ten dienste van het bedrijf zijn de stewards beheerders.

A: Duidelijk. En de definitie die jullie gebruiken is op die van Purpose gebaseerd?

G: Ja dat klopt. Wij hebben een aantal definities gehad. Eerst hadden we drie kernpunten en nu hebben we er twee die eigenlijk hetzelfde zijn als Purpose noemt. We hebben een zoektocht gehad van wat is nou de essentie.

A: Oke en dit is wat nu op jullie website staat. Dat zien jullie als de essentie. Als je hier aan voldoet kun je een bedrijf steward-owned noemen?

G: Ja. Misschien dat we op onze site ons nog iets teveel richten op het golden share model. Uiteindelijk gaat het niet om de vorm maar om de principes. Dat hoeft niet met zo'n golden share model maar kan wel.

A: Wat ik dus lees en hoor is dat je Steward Ownership het best kunt beschrijven als een methode om je bedrijf te structuren om die twee principes na te streven?

G: Ja dat klopt volledig.

A: Dan zou ik graag wat dieper op de voor- en nadelen van Steward Ownership ingaan. Eerst de vraag waarom jullie bij We are Stewards hebben besloten om SO te gaan promoten, hoe is gekomen?

G: In de zomer van 2018 kwam ik in aanraking met Armin Steuernagel van Purpose toen ik bezig was met een crowdfunding campagne. Purpose wilde eventueel ook investeren in dat bedrijf wat wilde crowdfunden. De voorwaarde was dat het bedrijf steward-owned zou worden. Helaas was dat niet geluk want er waren al een aantal investeringsrondes aan vooraf gegaan dus er waren al investeerders aan boord en niet elk van die investeerders wilde afstand doen van het stemrecht en een kept return. Dus dat is toen niet doorgegaan. Terwijl voor dat bedrijf het echt geweldig was geweest als het was gelukt. Ik dacht toen echt van wow ik heb nog nooit gekeken naar dat je eigenaarschap anders kan inrichten. Toen ik daar eenmaal de ogen voor geopend had dacht ik wel dit is super essentieel. Toen ben ik er verder mee aan de slag gegaan en We are Stewards gestart.

A: En je houdt je nog steeds ook bezig met crowdfunding?

G: Nog wel een klein beetje maar niet meer zoveel.

A: Ik kan me ook voorstellen dat het wel bij elkaar aansluit?

G: Ja zeker. Het sluit elkaar zeker niet uit.

A: Wanneer is We are Stewards echt gestart?

G: Goede vraag. Ik denk 2019 sowieso. Het is heel geleidelijk gegaan. Ik weet niet precies wanneer het formele moment was.

A: Oke. Toen had je dus bedacht ik start We are Stewards om Steward Ownership te gaan promoten en om het in Nederland groter te maken?

G: Ja. Ik ben opzoek gegaan naar bestaande voorbeelden in Nederland. Het kan niet zo zijn dat er in Nederland nog geen bedrijven zijn die al zo ingericht zijn. Die zijn er dus wel. En dat is fijn want anders moet je tegen mensen zeggen dat het nog nooit is gedaan maar het kan wel hoor.

A: En wat moet ik me voorstellen bij het promoten wat jullie doen? Het onderzoek doen naar Steward Ownership en voorbeelden zoeken is hier een deel van maar jullie geven jullie advies ook advies aan bedrijven?

G: Ja inderdaad. Onderzoeken, promoten en adviseren.

A: Wat is het verdienmodel achter We are Stewards? Worden jullie gesponsord of vraag je wat voor advies?

G: Bij advies leveren we direct waarde dus dat voornamelijk. De andere twee punten doen we vooral omdat we het zelf belangrijk vinden. Maar ook bij het advies is het al gevende van advies doen we onderzoek. Onderzoek in de praktijk. Dus daar rekenen we ook niet al onze inzet. We willen het toegankelijk maken voor pioniers die er nu mee aan de slag willen.

A: Ik ben wel benieuwd wat jij dan aan deze bedrijven als voor- en nadelen van Steward Ownership beschrijft?

G: Ten eerste misschien, iemand komt vaak naar ons toe dus heeft interesse. Dus er is iets waar iemand op aan gaat.

A: Deze mensen die bij jou komen zijn in dienst van een bedrijf of de oprichters?

G: Meestal dat laatste. Dat zijn de eigenaren en de ondernemers. Er is natuurlijk het een en ander over te vinden. Dus als je hier op stuit, wat ik ook ben gaan doen, dan ga je een beetje graven als je geïnteresseerd bent. Mensen hebben het een en ander verkend. Wij doen aan de ene kant aan promoten maar ik probeer niet om een gegeven door mensen hun strot te douwen. Dus wat ik ook belangrijk vind is dat een van de principes van SO waar we het net ook over hadden is dat winst de missie dient. Dus een praktische uitwerking is dat je zelf niet alle winst uit de onderneming haalt. Een gevold daarvan is dat het goed is dat je nadenkt wat je nodig hebt in je leven. Wat je zelf uit het bedrijf wilt halen. Dat soort type gesprekken vind ik altijd belangrijk om snel te voeren omdat het daar wel om gaat. Ik heb ook genoeg ondernemers ontmoet die zeggen ik vind het geweldig maar kan het niet zonder die ene eis. Dat ik toch als het veel waard word wat krijg. Dan gaan we verkennen van wat wil je dan, hoeveel denk je dat het waard wordt, hoeveel wil je daarvan en heb je nodig. Als iemand daarop vastloopt past het toch niet. Dat vind ik belangrijk om te verkennen zodat iemand niet denkt SO is hip positief ding dat wil ik zonder dat iemand zich met alle principes heeft geconfronteerd.

A: Snap ik, je gaat echt kijken of het bij het bedrijf en de ondernemer past.

G: Precies. Maar ik heb ook, dat stel dat een oprichter zegt ik wil hier 10 miljoen aan overhouden, dan kan je daar een waarde oordeel over hebben. Dat is ook niet raar als je dat hebt. Maar ik probeer als een ondernemer zoiets zegt toch neutraal te blijven en te vragen of je dan daarna tevreden bent of wat als het maar de helft is.

A: Oke, zeg je hiermee wel dat als een ondernemer zijn bedrijf steward-owned wil maken hij of zij voor een deel afstand moet doen van de winst omdat de winst de purpose gaat dienen? Dus de ondernemer krijgt zelf minder?

G: Ja precies.

A: Dus jij peilt bij het bedrijf of de stichter van het bedrijf hiervoor openstaat en afstand wil doen van een deel van de winst?

G: Ja exact. Ik probeer altijd snel om naar het praktische te gaan. Als je blijft hangen op de principes van SO, het gaat om de missie, dat vindt bijna elke ondernemer wel.

A: Oke en dit afstand doen van de winst is een punt dat je peilt. Naar welke punten kijk je nog meer misschien bijvoorbeeld de huidige structuur van het bedrijf?

G: Dat is inderdaad belangrijk om te kijken of het überhaupt kans van slagen heeft. In de meeste gevallen is de ondernemer met zijn compagnons volledig eigenaar. Soms moet er iemand worden uitgekocht maar dat is vanuit onze ervaring een stuk zeldzamer bij bedrijven die dit verkennen. Ik denk ook dat bedrijven dat zelf ook snel doorhebben, van we hebben al aandeelhouders dus het kan niet meer.

A: Want als je al aandeelhouders hebt is SO toepassen een stuk moeilijker omdat je geld nodig hebt om alle aandeelhouders uit te kopen.?

G: Precies. Of iedereen moet er net zo instaan. Maar hoe meer aandeelhouders je hebt hoe schaarser dit wordt.

A: Kom je dan specifiek bij bepaalde soort bedrijven uit? Bijvoorbeeld die klein zijn?

G: Voor startende initiatieven is het wel makkelijker. Die hebben nog niet het gevoel dat ze iets weggeven of verliezen. Tegelijkertijd kan het voor deze oprichters nog te vroeg voelen om het vanaf de start zo strak in te richten. Dat vind ik ook een interessant iets, bijvoorbeeld Bosch en Zeiss zijn pas SO geworden toen ze heel groot waren. Troidos bank en Odin zijn het al vanaf de start. Er zijn dus verschillende routes. Als iemand zegt ik wil wachten tot het bedrijf veel waard is dan snap ik dat en dat ik oke.

A: Er is dus geen onderscheid te maken in welke fase je SO als bedrijf moet implementeren? Het kan altijd?

G: Ja dat kan zeker.

A: Als jij aan bedrijven de voordelen uitlegt gebruik je dan ook de literatuur onderzoeken zoals bijvoorbeeld van Steen Thomsen?

G: Ja. Die voordelen kun je op SO projecteren. En wat ik merk dat vaak goed resoneert is dat ondernemers goed doorhebben dat als je meer geld in een bedrijf laat een bedrijf weerbaarder is. Goed ondernemerschap is ook je bedrijf genoeg geld laten hebben. Dat is iets wat dus altijd wel aanslaat.

A: Andere voordelen zoals het purpose driven blijven, de lange termijn visie en de langere survival die in de literatuur benoemt worden resulteren ook voornamelijk uit winsten in een bedrijf laten?

G: Ja precies.

A: In de literatuur worden weinig nadelen van SO beschreven, wat zou jij benoemen als nadelen?

G: Nou ja, iets wat spannend is de vraag of je op deze manier ook goed financiering kunt ophalen. En stel je hebt een initiatief met een hele belangrijke missie dan wil je eigenlijk ook geen aandeelhouders die invloed hebben op die missie. Dus in sommige gevallen is te merken dat als je een ondernemer verteld dat er misschien niet zo veel investeerders zijn die dit willen dan zegt de ondernemer maar er zijn ook niet veel investeerders waar ik wat mee wil. Ik wil investeerders die puur in deze missie investeren. Dan heeft iemand niet het gevoel dat hij iets opgeeft omdat die al kritisch is op wie er investeert. Dat is iets wat de tijd zal leren. Dat zien we ook als een van onze promotie taken, investeerders enthousiast maken voor deze vorm. Want de steward-owned startups van vandaag zijn de groei bedrijven van morgen. Dus wij willen meer investeerders enthousiasmeren.

A: Ja want met meer investeerders die interesse hebben zou SO ook voor meer bedrijven interessant kunnen zijn?

G: Precies. Ja en een nadeel dat Thomsen ook noemt wat ik ook meestal wel benoem is dat Steward-owned bedrijven een lagere arbeidsproductiviteit hebben. Dus ze zijn minder efficiënt. Als je dat heel plat zegt, ze kunnen misschien een beetje ingedut raken. Dat is dan ook het voordeel van een eventuele externe aandeelhouders als die invloed kan uitoefenen dan is er een soort juk van de markt of hoe je dat ook wil noemen. Dat is natuurlijk een eendimensionale kijk dat mensen gedreven zijn door financiële incentives. Dat is helemaal niet waar. Ik denk dat je dat nadeel heel makkelijk kunt oplossen door je er bewust van te zijn dat je op een andere manier ervoor moet zorgen dat mensen gedreven blijven.

A: Zie je dat dan ook als een taak van de stewards om dat bijvoorbeeld te doen?

G: Ja eens. En ook door te zorgen voor governance dat er weer wordt toegezien op de stewards zodat zij ook niet op een troon zitten.

A: Hoe wordt zoiets dan vaak ingeregeld? Met een soort adviesorgaan bijvoorbeeld?

G: Je hebt eventueel een gouden aandeelhouder. Je kunt een raad van advies achtige structuur gebruiken. Je kan medezeggenschap dingen doen. Een raad van advies kan ook wat strenger door het een raad van toezicht of raad van commissarissen te maken. En bij sommige steward-owned bedrijven hebben ze i.p.v. een gouden aandeelhouder bijvoorbeeld een ander bestuur dat lijkt op een raad van toezicht dat een soort borging biedt.

A: Ja dat is helder. Jij beschrijft het dus als een mogelijk gevaar wat je door erover na te denken van tevoren al kunt oplossen?

G: Ja. Ook omdat je soms merkt dat bedrijven SO soms zien als een manier waarop je het bedrijf kunt laten dragen door werknemers. Op de een of andere manier zit die kronkel bij

veel mensen. Maar dat hoeft natuurlijk niet. Je kunt het zo inregelen maar daar moet je dan wel aandacht aan besteden.

A: Als je dat zou willen moet je zeggenschap verdelen over de werknemers?

G: Ja precies.

A: Je had al iets gezegd over het bemachtigen van kapitaal. Zou je ook kunnen zeggen dat SO bedrijven qua groei soms iets langzamer groeien?

G: Goed punt. Dat zou wellicht een gevolg kunnen zijn van het moeilijker aantrekken van kapitaal.

A: Dat klinkt aannemelijk. Maar bedrijven die steward-owned zijn kiezen hiervoor en zijn dus misschien vaak tevreden met deze groei?

G: Ja dat denk ik vaak wel.

A: Je had zojuist ook al iets gezegd over regel- en wetgeving, is dat op dit moment nog iets wat SO beperkt?

G: Ja, terecht punt. Het is wat meer gedoe dan wanneer je het niet doet. Er zijn niet super veel bedrijven die het al hebben gedaan dus je moet wat pionieren op dit vlak. We hadden het in het begin ook over de vragen die je aan de ondernemer stelt. Ergens laat je de ondernemer een soort soul searching doen. Oke je wil dat je bedrijf steward-owned wordt, wat wil je dan eigenlijk, waarom dan, wat wil je dat het persoonlijk voor jou betekent, en wat als je met pensioen gaat. Ook al wordt het juridisch toegankelijker omdat er meer voorbeelden zijn, duurt het nog langer voordat er een cultureel besef is wat SO betekent. Namelijk, dat je je pensioen anders moet regelen, dat soort dingen. Stel dat iemand vandaag voor SO kiest maar over 40 jaar denkt, oh shit ik heb mijn pensioen niet goed geregeld waarom heb ik dat toen niet bedacht. Dat vind ik relevant.

A: Ik heb ook een vraag over de stewards, de mensen die dicht bij de organisatie staan en de organisatie beheren, vaak zijn dit eerst de stichters maar later andere mensen zoals werknemers. Heb jij ervaringen met bedrijven hoe ze dit overgeven en hoe werkt dit dan precies dat andere mensen de steward taken overnemen?

G: Dit is precies het punt waar ik zojuist ook op doelde dat er soms wordt verwacht dat een bedrijf steward-owned wordt en dat werknemers het dan vanuit het niets kunnen dragen. Dat is helemaal niet waar. Dat is een andere uitdaging. Dat kun je wel tegelijkertijd met SO oppakken. En wie weet versterken ze elkaar wel. Maar het is niet iets wat vanuit zichzelf gebeurt.

A: Maar je moet wel altijd stewards blijven houden, dat hoort toch wel bij de structuur?

G: Precies. Wat je denk ik moet doen is dat je tegelijkertijd moet werken aan een cultuur en aan ontwikkeling van mensen als je wil dat ze zo'n rol gaan vervullen. Net zo goed als dat je dat in een familie bedrijf of elk ander bedrijf hebt. Dat je talentontwikkeling, leerprogramma's en selectie hebt. Toevallig zijn bij Odin een paar jaar geleden de oprichters gestopt en hebben twee collega's, Merle en Theo, die zijn de directie nu en die zijn gewoon geworven. Dat zijn goede mensen die de functie aankunnen. Zij zijn steward en directie, dus daar is ook nog een overlap tussen die twee. En bij Triodos hetzelfde, daar wat Peter Blom, die is net vorige week vertrokken, die is 41 jaar in dienst geweest en heeft nooit een andere werkgever gehad. Die was op een gegeven moment al niet meer alleen directeur, hij had mede directie en mede stewards. En nu een opvolger, een nieuwe CEO. Dus ik denk dat het niet heel anders gaat dat bij andere bedrijven ook al heeft het soms de schijn dat het wel zo is.

A: Oke. Misschien dat je door de winst in het bedrijf te laten ook meer op ontwikkeling van mensen kunt inzetten. Net zoals dat andere voordelen van SO, zoals meer geld naar R&D, meer geld naar innovatie, meer geld naar werknemers want werknemers blijven langer, lijken te komen doordat meer geld in het bedrijf blijft. Je kunt dus de nadelen omdraaien naar voordelen als je het zo bekijkt. Ben je het hiermee eens?

G: Ja. Maar dat gaat niet vanzelf, je moet er dan wel over denken en dingen inrichten. Ik weet ook niet waarom het zo is, maar af en toe spreek ik wel eens iemand die dan actief is in fondsen of goede doelen of die bij een familie stichting in zit en dat raakt wel met SO dus dan is er vaak wel interesse in het model. Daar hoor ik soms ook wel negatieve verhalen dat een stichtingsbestuur een interne focus krijgt en vriendjespolitiek wordt en hoe belangrijk het dan is om goede regels te hebben. Door dat soort verhalen wordt ik wel weer scherp, van je

moet niet verslappen. Je moet wel als je zo'n structuur gaat inrichten goed opletten, de initiatiefnemers gaan het misschien een paar decennia goed doen maar hoe ga je het daarna doen.

A: En is dit scherp moeten blijven en het inrichten van governance anders dan bij andere bedrijven? Bij bedrijven die groeien en groter worden zie je hier toch ook vaak wel wat problemen ontstaan.

G: Goed punt. Wat ik ook bedoel is dat je moet oppassen dat de steward niet een soort keizers worden. En dat ze ook niet elkaar opvolgers benoemen en een gesloten bolwerk worden.

A: En omdat deze bedrijven het belangrijk vinden om hun missie na te streven hebben ze wel belang om dit goed in te regelen?

G: Ja precies.

A: Je beschreef al dat de mensen die bij jou komen vaak redelijk kleine ondernemers zijn. Maar familiebedrijven komen ook voor?

G: Ja iets minder, maar zeker ook. Dat zijn dan vaak brutale ondernemende types die vaak zoiets hebben vaak dit is al hoe ik het doe, dit is wat een familiebedrijf is. Die voldoet ook aan deze regels. Dus waarom zou mijn bedrijf nog steward-owned worden. Dat doen ze dan vaak als er geen goede opvolgers meer in de familie zijn. En wat je ook ziet, iets wat Thomsen ook beschrijft, is dat in Denemarken het fiscaal aantrekkelijk was om dit te doen. Ik ben benieuwd hoe dit nu in Nederland zich gaat ontwikkelen. De familie bedrijven lobby heeft lang kunnen voorkomen dat er belasting was bij overdracht, bij overerving, dat is niet heel lang meer vol te houden. Dus wie dat familiebedrijven dan wel denken van als we gaan overdragen binnen de familie, terwijl niet iedereen dat wil en we moeten ook nog eens veel betalen, laten we het in een stichting stoppen.

A: Regel- en wetgeving maakt op deze manier dus veel uit of het model populair wordt?

G: Ja. Thomsen omschrijft ook dat dit de reden is dat in Denemarken het model veel gebruikt is.

A: Zijn er meer vragen die je stelt aan een bedrijf om te kijken of een bedrijf bij SO past? Heb je daarvoor een soort checklist of iets wat je wil doorwerken?

G: Ja dat heb ik wel. Ik heb ook de wens om een soort checklist te creëren waaraan bedrijven moeten voldoen. Maar ik geloof ook dat het ergens een gevoel is, dat je erin gelooft en denkt ja dit is hoe het moet. Oke we gaan het doen. Als je alleen maar op ratio kiest en niet op een beeld hoe je vindt dat de wereld eruit moet zien dan is het heel moeilijk om alleen daarop het besluit te nemen. Alleen op basis van de bewezen voor en nadelen. Van ik kom nu op 71% dus dan doe ik het. Als je denkt dat het klopt dan is dat eigenlijk het belangrijkste. Maar wat ik altijd doe, ik start altijd met de missie van het bedrijf. Vervolgens zoom ik in op de stakeholders. Het is populair in deze tijd dat er veel stakeholder modellen zijn. Op allerlei manieren stakeholders betrokkenheid laten hebben. Een idee van SO kan zijn dat je geen stemrecht geeft maar dat je wel kijkt naar hun belang. En dat je ze adviesrecht geeft of iets dergelijks. Als je Beterboeken als voorbeeld neemt, zij hadden een coöperatie van hoteleigenaren kunnen worden of van hotelgasten. Daar hebben ze niet voor gekozen omdat ze dan bang waren dat het door zou slaan naar het behartigen van die belangen. Terwijl het ze wel om die twee stakeholders is te doen. Dat vind ik boeiend aan SO, je kan stakeholders ten dienste zijn zonder dat je ze perse stemrecht geeft. Dat is aan de stewards om die belangen te behartigen. Maar goed, missie, stakeholders.

A: Bij de stakeholders kijk je of alle facetten bij de structuur zouden kunnen passen?

G: Ja en op welke manier. En ik loop het ook langs omdat soms merk ik dat iemand denkt dat SO betekent dat je iedereen stemrecht geeft die rondom de onderneming zit. Dat vind ik belangrijk om te checken, welke stakeholders zijn er, wat zijn hun belangen, welke rol hebben ze, en hoe wil je hun belang behartigen. Vervolgens kijk ik naar wie zijn de stewards en hoe vind governance plaats op de stewards. En als we het hebben over wie zijn de stewards dan is het ook belangrijk om te kijken naar de opvolging. Vervolgens kijk ik naar welke vorm van SO kun je implementeren en welke hobbels moeten er nog worden genomen om dit te implementeren. Moet er iemand uitgekocht worden, moet er iets

opgericht worden. En als laatst welke investeringen moeten er gedaan worden en welke compensatie hoort daarbij. Die acht facetten loop ik eigenlijk altijd langs.

A: Oke, dus eigenlijk ga je van globaal, de missie, naar steeds praktischer, de daadwerkelijke uitvoering?

G: Ja precies.

A: En heb je dan bij deze acht punten nog weer vragen? Bij bijvoorbeeld de missie zie je dat veel bedrijven een maatschappelijk doel hebben maar ik weet niet of dit moet.

G: Ja hier raken we een ander interessant punt. Ik had toevallig afgelopen vrijdag een meeting met iemand die zei een wapenfabrikant kan ook steward-owned worden, ja dat kan. Dus in principe zegt SO niet iets over hoe duurzaam je bent. Maar omdat je over 20 jaar nog relevant wil zijn vindt je het dus waarschijnlijk wel heel belangrijk. Hoe duurzaam zijn SO bedrijven is een boeiende vraag.

A: Is dan bij de missie vooral belangrijk dat je het over een lange tijd nog wil blijven nastreven?

G: Ik denk het maar stel je hebt de stewards en governance op de stewards, de governance zorgt ervoor dat de structuur niet veranderd, maar die stewards zien misschien op een gegeven moment over 10 jaar, he de missie is niet meer helemaal van deze tijd. Dus de missie kan wijzigen ondanks dat die centraal staat. Je borgt eigenlijk dat de missie centraal staat en niet dat de missie altijd hetzelfde blijft. Wat ik ook wel spannend vind is dat bij sommige bedrijven de stewards de missie kunnen wijzigen en bij andere bedrijven de gouden aandeelhouders of een andere belangenbehartiger.

A: Oke maar bij de tweede stap, de stakeholders, zijn er dan eisen waaraan deze groep moet voldoen of kijk je welke stakeholders er zijn en hoe kunnen we hen helpen?

G: Ja meer dat laatste. Een belangrijk facet daarin is ook dat je, stel je start een bedrijf en je wil het SO maken, dan zijn de oprichters oprichter met een economisch belang vaak, ze zijn steward en ze zijn directie. Dus ze hebben drie petten op. Het is dan belangrijk om die drie stakeholders los te benoemen ondanks dat ze dezelfde personen zijn. Want wie weet ben je op een gegeven moment geen directie meer of geen steward meer door een regel maar heb je nog wel economisch belang. Hoe zorg je dat het dan nog klopt? Je weet de rollen gaan wijzigen.

A: Oke dus als Steward-owned bedrijf ga je vaak gaandeweg nog wijzigen?

G: Nou ja, de rollen van personen gaan wijzigen denk ik. Die blijven niet statisch. Je bent geen oprichter meer als je wordt uitgekocht, er komt een nieuwe steward bij die geen oprichter is, een medewerker wordt steward. Hoe verhouden die rollen tegenover elkaar zowel intern als extern. En wat je dan snel ziet is dat normaal een investeerder invloed heeft en nu heeft een oprichter veel meer zeggenschap naar zich toegetrokken. Dus een uitdaging van SO is om te voorkomen dat de invloed van die oprichter niet ertoe leidt dat het bedrijf de verkeerde kant opgaat als de oprichter het niet goed doet.

A: Ja dat is ook een van mijn vragen. Wie grijpt er in als het misgaat? Dat zou je dan bijvoorbeeld op kunnen lossen door het zeggenschap meer te verdelen.

G: Ja. Je zou kunnen zeggen dat bij bepaalde beslissingen moet en raad worden gevraagd aan een raad van advies. Maar er zijn ook SO startende bedrijven waar investeerders eerst meer zeggenschap hebben en als het goed gaat met het bedrijf, de stewards doen het goed, dan verdwijnt dat stemrecht. Dat is misschien niet ideaal maar kan best handig zijn.

A: Ja precies, dan spreidt je eigenlijk de fase waarin je volledig steward-owned wordt uit.

G: Ja inderdaad. En als het goed gaat met het bedrijf ga je er met je handen vanaf als investeerder terwijl je normaal gesproken dan juist erbij wil blijven omdat het cash gaat opleveren.

A: Het ingrijpen kun je dus op veel verschillende manieren inrichten maar daar moet je goed over nadenken.

G: Ja.

A: Oke, de opties zijn dus bijvoorbeeld een adviesraad erbij of bij bepaalde keuzes afspreken dat je dat niet alleen kan maken. Dat zijn dus standaard corporate governance principes waarmee je dit oplost.

G: Ja, absoluut.

A: En jij hebt ervaringen waardoor je denkt dat dat zo te regelen is dat dit geen probleem hoeft te zijn?

G: Ja zeker. En ik denk dat een lastige situatie zo'n beginfase is waarin je als investeerder nog niet zeker weet of een ondernemer het wel kan. Maar dit kun je dan dus oplossen door met een tussenfase met stemrecht.

A: Oke. Over de financiële waarde van SO bedrijven. De literatuur zegt dat dit misschien wel minder zou moeten zijn. Heb jij ervaringen met SO bedrijven waarmee je kunt inschatten hoe de financiële prestatie en waarde van SO bedrijven is?

G: Nou ja, het gekke is misschien de waarde van het bedrijf doet er minder toe. De waarde van een bedrijf is de waarde waarvoor je het eventueel kunt verkopen. Met oog op toekomstige verkoop of winst. Dus dat het er niet meer toe doet is een beetje een bijdehand antwoord. Maar als je Triodos bank als voorbeeld neemt van een SO bedrijf, zij zijn volledig in handen van een STAk, een stichting, en die stichting geeft certificaten van aandelen uit. Eens in de zoveel tijd verkoopt Triodos nieuwe aandelen aan de stichting en die verkoopt ze weer aan nieuwe certificaathouders. Daarmee halen ze eigen vermogen op om weer verder te kunnen groeien. Die certificaten zijn ook verhandelbaar, je kunt ze weer verkopen dus als je denkt nou ik moet nu een nieuwe wasmachine dan verkoop je je certificaten. Misschien een slecht voorbeeld, maar ze zijn verhandelbaar. Het zijn alleen economische rechten zonder zeggenschap. Elke week doet Triodos bank een bepaling van de waarde van de certificaten op basis van een formule. Ze hanteren een soort inherente waarderingsmethode waarbij je kijkt wat is echt de waarde van een bedrijf, wat heeft het bedrijf en wat is dat waard, wat staat er op de balans. Dus niet een of andere speculatieve waarde. Elke week word die opnieuw op een vast moment vastgesteld en dat is de waarde waarvoor die week de certificaten verhandeld kunnen worden, niet meer en niet minder. Dat vind ik wel een mooie manier om de waarde toch als motivatie te houden in je achterhoofd. Dan is een bedrijf toch wat waard en is het SO.

A: Oke en zij hebben een stijgen in waarde en behalen hun doelen?

G: Ik heb hun daarop niet volledig geanalyseerd. Maar sinds de kredietcrisis hebben ze vijf keer zoveel klanten. Het is een organisatie die best wel groeit. Zij hadden geen derivaten en dat soort rommel dus toen alle banken omvielen moesten zij uitleggen waarom ze geen probleem hadden.

A: Dat is een erg mooi voorbeeld. En als je niet financieel kijkt naar de prestatie, een bedrijf kan groeien en dat kan ook zichtbaar zijn in het aantal werknemers bijvoorbeeld. Als je dus los van de financiële kant naar de prestaties kijkt hoe zie jij dit dan bij SO bedrijven?

G: Wat betreft de financiële prestaties vind ik het gewoon nog heel erg koffiedik kijken. Misschien is er al een studie hiernaar te doen in NL, in Denemarken is aangetoond dat die bedrijven het niet minder doen. Maar wat ik veel boeiender vind, misschien een soort activistische motivatie, stel je kijkt naar Odin, een biologische supermarkt, die zijn ook een geweldig voorbeeld, die doen nu wat heel veel meer supermarkten ook gaan doen. Biologische producten verkopen, hun afnemers eerlijke prijzen laten betalen, toeleveranciers eerlijke prijzen geven. Dus SO bedrijven, we hadden het in het begin over de principes, winst dient de missie, soms is het dan belangrijk om te kijken naar hoe zit het met de winst. Thomsen zegt dat zit wel snor. Dat geloof ik. Maar belangrijker vind ik het hoe zit het dan met die missie. Daar zie je dat SO bedrijven dingen doen die andere bedrijven pas 50 jaar later gaan doen. Ze zijn vaak echt de duurzame voorlopers.

A: En doordat ze voorlopers zijn zie je neem ik aan ook wel dat ze groeien?

G: Ja absoluut, precies. Ze zijn vaak ook veel menselijker dan niet SO bedrijven. Dus mensen denken he dit bedrijf is eerlijk, dit klopt. Dus Odin groeit, Triodos groeit, en dat vind ik niet zo gek.

A: Ja precies. Dat bedoelde ik net ook een beetje. Als je niet kijkt naar de financiële kant maar naar dingen als grote van het bedrijf en het behalen van de missie en doelen doen SO bedrijven het wel goed.

G: Ja precies. Je moet misschien niet kijken naar de financiële nummers maar naar andere waarden om de groei van SO bedrijven te bekijken.

A: We hadden het er zojuist ook al even over maar SO bedrijven kunnen actieve aandeelhouders missen. Maar jij zegt eigenlijk dat als je van tevoren hier rekening mee houdt je dit probleem om kunt draaien?

G: Ja inderdaad. Door er aandacht aan te besteden en dingen te regelen zoals het ingrijpen in slechte tijden kan voorkomen worden dat dit een nadeel is.

A: Je had ook al wat verteld over dat SO bedrijven soms iets moeilijker aan kapitaal kunnen komen. Ik heb ook wat bedrijven onderzocht en daar hebben ze vaak wel voldoende kapitaal gevonden. Er zijn dus op het moment wel opties om als SO bedrijf kapitaal te krijgen?

G: Ja klopt. Als we investeerders hierin nog moeten opleiden en laten zien hoe het werkt dan kan het niet anders dat ondernemers ook iets langer doen over hun financiering. We zitten nu al wel een beetje op een kantelpunt omdat SO wat bekender en zichtbaarder wordt. Impactinvesteerders denken dan van he wij bestaan ook om dit te doen. Dus waarom doen wij dit nog niet.

A: En hoe verhouden deze impactinvesteerders zich tot investeerders in SO bedrijven? Ze hebben veel overeenkomsten lijkt me?

G: Ja, eens. Als het een fonds is, een impactinvesteerder, dus die hebben weer geld van anderen opgehaald dan is het vaak moeilijk. Maar als ze met eigen geld investeren dan is het puur dat ze moeten zien dat het een goed idee is.

A: Bij deze investeerders gaat het dan om het besluit dat ze geen zeggenschap meer hoeven te hebben?

G: Ja en stel je hebt een fonds dan heb je een rendementsbelofte van bijvoorbeeld na 10 jaar van drie keer je inleg. Stel een SO bedrijf zegt bij ons krijg je vier keer je inleg terug. Dan is dit voor de investeerder een magere return. En het moet dan wel lukken anders gaat het gemiddelde van het fonds hard omlaag. Als je in SO bedrijven investeert heb je minder uitschieters als investeerder en hopelijk ook minder uitschieters naar beneden. Dus is het gemiddelde wel vergelijkbaar. Maar dit moet nog wel echt blijken dat bijvoorbeeld SO startups minder snel failliet gaan en een veiligere investering zijn. Dan wordt het makkelijker om er op te rekenen want dat is nu nog wat moeilijker.

A: Bij jullie, We are Stewards, is er wel het geloof dat SO minder risicovol zijn en dus interessant voor investeerders?

G: Ja. Of het bij startende bedrijven zo is weet ik niet. Maar wat ik nu merk is dat investeerders nu ook anders gaan kijken naar investeren. Ze kijken naar het doel van hun geld. Gelukkig zijn er veel investeerders die denken ik wil gewoon dat dit gebeurd dus ik steek er mijn geld in. Net zoals ondernemers denken dit is een goed idee dus ik ga het doen. De kans dat het mislukt denk je niet altijd over na want je vindt het gewoon een goed idee. En normaal geloof je ook wel in een return als je in het idee gelooft. Maar dan ben je echt een impact first investeerder als je het op deze manier doet. Als je dan geld kwijt raakt denk je helaas maar ik heb wel eerst impact gemaakt. Terwijl de meeste investeerders ik wil sowieso mijn geld terug.

A: Impact first investeerders vind ik een mooie term, bestaat dit al of heb je dit zelf bedacht?

G: Dit bestaat al wel. Er zijn veel investeerders die zich impact investeerders noemen maar dan staat de impact nog niet op een en staat de finance zeker zo hoog.

A: De kapitaal / financieringskant van SO is dat iets wat al snel aan bod komt in gesprekken met potentiële SO bedrijven?

G: Dat zijn de acht facetten die ik eerder benoemde. Dat zijn eigenlijk allemaal dingen die wel direct in de eerste gesprekken aan bod komen. Dus ook de financieringsbehoefte hoort hierbij. Als deze behoefte bijvoorbeeld enorm is en het moeilijk wordt om dit te werven dan kan het essentieel zijn om eerst te onderzoeken of dit in de SO structuur mogelijk is.

A: Ja precies, want nu is het nog moeilijk om veel kapitaal te krijgen doordat er nog weinig investeerders zijn.

G: Ja en nee want de investeerders kunnen ook komen door een geweldig idee. Maar wat kan is dat je een maand lang gaat kijken of de behoefte vervuld kan worden, we gaan die en die investeerders benaderen en als ze meedoen gaan we verder kijken. Zo niet, dan gaat het niet door. Het kan een beperkende factor zijn maar dat hoeft niet.

A: Denk je dat het ook geen beperkende factor hoeft te zijn voor de groei van SO bedrijven? Of zou je toch zeggen dat als je enorm snelle groei nastreeft het model toch minder geschikt is?

G: Dat is een goede vraag. Ik denk dat hier verschillende mensen verschillende antwoorden op zullen geven. Er is ook een geloof dat hele snelle groei niet duurzaam is. Ik wil dat niet te hard zeggen. Ik wil dit de ondernemer ook zelf laten bepalen. Stel een ondernemer heeft een idee voor een platform en wil snel een groot marktpercentage zodat de markt eerlijker wordt dan is snelle groei misschien niet slecht. Slow growth kan ook goed zijn voor veel bedrijven maar ik ben niet perse tegen snellere groei.

A: Wat je ziet bij bedrijven die snel willen groeien is dat ze het misschien voor de exit doen en dan past het niet bij SO.

G: Helemaal mee eens. Dat zie je inderdaad ook veel bij de platform type bedrijven. De lange termijn is hierbij belangrijk, de bedrijven kunnen snelle groei nastreven maar dit moet dan wel een lange termijn visie hebben.

A: In de literatuur wordt ook beschreven dat het zou kunnen dat als een stichter de leiding in een bedrijf behoudt er professionele en management skills zouden kunnen missen. Is dit iets wat bij SO bedrijven zou kunnen missen of hebben ze een methode om dit te voorkomen?

G: Nou stel dat je zorgt dat als een steward niet goed functioneert die weggestuurd kan worden dan los je dit op. Per bedrijf verschilt het of dit kan. Bij sommige bedrijven, bijvoorbeeld een kleine horeca zaak dan hoef je niet perse een extra governance laag te hebben die de steward weg kan sturen en als dat gebeurd is er dan nog wel wat over van het bedrijf. Ik denk dat het belangrijk is om te zorgen dat de steward niet een eindoordeel heeft over alles. Ook kun je natuurlijk de stewards ondersteunen met mensen die kennis hebben zoals nieuwe managers en nieuwe directieleden.

A: We hadden het al even over de geografische focus van SO. Hoe komt het dat het model populairder is in bepaalde gebieden, zoals Denemarken?

G: Dat komt dus door wetgeving maar ook doordat het fiscaal daar aantrekkelijk was.

A: In Duitsland is de structuur ook in opkomst terwijl volgens jou daar de wetgeving niet direct ondersteunend is, hoe zou dat dan kunnen komen?

G: Ik weet niet precies hoe het daar fiscaal is. Wat wel zo is, is dat in DL veel familiebedrijven voorkomen waarvan de structuur dus al veel weg heeft van SO. Veel onafhankelijke familiebedrijven worden daar dus SO. Daar is dus een grotere kans dat er meer bedrijven SO worden. Ik weet niet of er daar nog een culturele reden is, wie weet weten ze dat bij Purpose.

A: Zou het model makkelijker in landen geïmplementeerd kunnen worden waar meer stakeholder oriëntatie is t.o.v. meer shareholder georiënteerde landen?

G: Goed punt. Ik las daarover laatst een interessant artikel dat ging over werknemers participatie vs coöperatie. Employee ownership vs cooperation. Een employee owned bedrijf had een bod gekregen van een multinational en alle werknemers waren daar rijk van geworden. Een bedrijf in dezelfde sector in handen van een coöperatie waar werknemers wel zeggenschap hadden, maar niet met de financiële rechten om er rijk van te worden. Dus niet zoals het andere scenario. Maar ze bleven wel een betere dienst leveren aan de buurt waarin ze werkten. Beide initiatieven waren met dezelfde intentie gestart om een betere community te creëren en van de community te blijven in plaats van een moloch. Een van de twee heeft toch besloten om te verkopen aan zo'n moloch. De grote drempel is dus niet zozeer juridisch maar zien dat dit de goede oplossing is.

A: Merk jij vooral interesse in SO bij SME's en minder bij hele kleine of grote bedrijven?

G: Ja zeker, als bedrijven heel groot zijn is de kans groot dat ze al externe aandeelhouders hebben en dat ze vast zitten in het systeem. Er is wel correlatie hiertussen maar grote hoeft niet perse uit te maken of het model wel of niet geschikt is. Als je beursgenoteerd bent is het nog moeilijker want dan weet je helemaal niet wie je aandeelhouders zijn. Dan is het vrijwel onmogelijk. Bedrijven die nu al van een stichting zijn ideaal. Maar zelfs bij een beursgenoteerd bedrijf zouden fictief 51% van de aandeelhouders zich kunnen verzamelen samen kunnen besluiten dat ze willen dat een bedrijf zich meer op de lange termijn visie gaat richten omdat ze over 20 jaar ook nog willen dat het bedrijf bestaat en ook dan nog

rendement willen. De structuur en grote van het bedrijf kan dus een drempel vormen maar hoeft nooit helemaal een beperking te zijn.

A: Oke, dat lijkt wel een beetje een conclusie van wat je hebt verteld, dat van een bedrijf de missie, de visie, het maatschappelijk belang, de groeistrategie, de grote, het aantal werknemers en de huidige structuur structuur zijn allemaal punten waar je naar kijkt hoe ze in te richten zijn naar SO maar geen van deze punten is zo duidelijk dat als een bedrijf aan iets niet voldoet het absoluut niet SO kan worden.

G: Volledig mee eens. Zelfs een wapenfabrikant of tabaksfabrikant zou SO kunnen worden. Maar ze matchen wel veel minder goed met het model omdat ze bijvoorbeeld eerder winst zullen nastreven en een korte termijn doelstelling. Je moet als ondernemer zelf in het model geloven.

A: Dan zou ik graag willen eindigen met mijn hoofdvraag, als jij die zo ziet zou je daar een samenvattend antwoord op kunnen geven?

G: Nou de essentie is dat de bedoeling van een bedrijf en het bedrijf dat dat centraal komt te staan. Ik geloof dat om die reden vaak een bedrijf opgericht wordt. In het woord bedrijf zit wat mij betreft al het streven om winst te maken, in de zin van een bedrijf kan bestaan wanneer er verkocht wordt en er meer omzet is dan kosten. Dus als je een bedrijf niet ziet als een soort vaatdoek om uit te wringen maar als iets wat bestaansrecht ansicht heeft dan past het model geweldig. Waarom zou je een bedrijf verkopen net zoals een zak aardappelen? Dat is niet waarvoor je het opricht. Je richt het op omdat het bedrijf iets is en je erin gelooft. En als dat zo is dan is het ook logisch dat je dat in de structuur centraal stelt.

First interview with an employee of the Purpose Foundation

This interview was exploratory so many parts were not interesting for this research. Only the important parts are described below. These parts were used in the complete interview conducted later.

Steward Ownership is not always combined with financing. It's a way of structuring the ownership of a company. Then, a company can find aligned financing. However, it can be a merging line because entrepreneurs can find Steward Ownership when they are looking for capital. BuurtzorgT came across Steward Ownership because they were looking for a way to finance the company aligned with their values.

At Purpose they find three different types of companies looking for different ways to structure their companies, this are:

- The first one is young start-ups. These start-ups have ideas by which they want to change the world. Often the founders of these companies are young people of our generation. They want to change the world and therefore, they want to protect their mission. A lot of them don't want to have a successful exit. They do not want to earn tons of money. The successful accomplishing of their mission is more important to them. They have often have a social goal, but they are not necessarily classified as social enterprises. But we at Purpose also talk to companies that want to do thing differently like building, making products, whatsoever. What all these companies have in common is that the founders want to build a successful small or medium sized company. They do not want to become a unicorn, and have a big profitable exit. These founders are more looking for creating a more sustainable, accretable, economy in the long-term. This is the first type of company that we find is particularly interested in alternative ownership structures and Steward Ownership.
- The next type of company is, especially common in Germany, a family business. These companies want to protect their mission for the long-term. They face a succession issue. They don't have anyone in the family that wants to takeover the firm or they feel that the people who are available in the family are not a right fit to

takeover the family business. So, they are looking for a way to protect the values of their family enterprise by finding people who are aligned with these values and can steward it in the future. We have quite a lot experiences with these kind of companies. This also has to do with the fact that family ownership structures have similarities with Steward Ownership structures.

- The third kind of companies are companies that are very value-driven, they don't necessarily face succession right now. The value they strive for is social, they want to make society a better place. They can be in a phase between just in general wanting to protect companies values and having succession. They want to have a ownership structure that is aligned with the corporate culture and corporate philosophy and ideas. We also see many of these kind of companies for example in the organic food sector and health sector. If you look at the foundation of these companies, the new work approach they facing, like having less management and trusting a lot in individuals. They do not have a big guy, like a CEO, standing at the top of everything. They feel like the Steward Ownership structure suits with themselves.

At the moment it is quite hard to finance a steward-owned company. In the private equity and venture capital world, the paradigm exists that money gives you power. The more money you put on the table the more power you get. With Steward Ownership you are not giving power to people who are not stewards of the company. We currently give advice to a lot of companies that are curious about aligned methods of financing that do not want to implement Steward Ownership.

There are multiple ways to answer the question why the Purpose has an investment fund that invests in steward-owned companies while it does not get high returns like normal private equity funds. The first one, is that the fund is born out of a desire to make it easier for companies to become steward-owned. We also want to prove to other investors that investing in steward-owned companies is financially not a stupid thing. You get a risk adequate return. The companies are not going through an extreme growing strategy. Even the start-ups in which we invest we research very well and we then really believe in these companies. It is important for us that the returns we get are kept. We think that it is fair that we get a return for the risk we take but we do not think it is fair that the investor gets exponential returns. Returns that are earned by a company. We have different ways to bring this believe into practice. For instance, by agreeing with a company that the company will buy back all its shares in a few years. There are different way to structure this, we search for the best structure that fits the company and its growing strategy and time horizon. There are ways suited for each type of company. It is important to us that the company can buy back its shares. But sometimes investors don't want to do this, then we find another way. But most of the times, we agree that when the company is profitable enough it buys back its ownership.

A question firms should ask themselves when they doubt to become steward-owned, is whether there is a way to finance the money you raised from investors through your future growth and the sales you are doing. If you will be profitable enough. So for some companies this is not suitable. If you want to raise a lot of money and don't know for sure if you will become profitable Steward Ownership might not be a structure for your company. Like huge tech startups that are striving to become unicorns. That does not fit with Steward Ownership.

If you look at normal types of financing, especially venture capital, they are nowadays looking for a unicorn that will give them enough profit to compensate all other sales they made. Because of this, they are not looking for medium growth companies. They are not looking for a company that can be profitable, just in a niche market, that sells some good products or services but is not getting huge. Then, in VC bought companies, the investors are putting pressure on the company to grow. That makes a lot of companies failing. Because of the missing growth pressure in steward-ownership the companies have less risk to fail.

In Denmark, the foundation-owned companies, researched in literature (especialy by Steen Thomsen) are steward-owned. In other countries, like Germany and other countries in

Europe, the foundation laws are different. In Denmark the law is structured in a way that foundations can own companies for a main purpose only.

Complete interview with an employee of the Purpose Foundation

A: The first question is about the definition of SO, is it developed by Purpose?

F: I guess in a way it is. A lot of companies have already implemented SO like structures. But the Purpose organisation was the first organisation that looked really closely at those structures and recognised all of those structures have in common the two SO principles that they made legally binding. We defined SO this way. A few other definitions of SO exist, in German another for it is used, Verantwortungseigentum. There is a few definitions for Verantwortungseigentum, so it is like ownership with responsibility. But the SO principles and definition comes from us.

A: At what point did you come up with the definition? There already were some organisations who implemented it but then you thought we need a word for it?

F: The history goes a bit different. The four founders of Purpose, who are all from completely different backgrounds, realised that the way we think about corporate ownership and the way how it is structured in companies is really deeply relevant for companies and employees and so on. And they started to look at some companies who they thought had a very long term orientation. Their purpose was focussed on the long term. In these companies they found these principles. They did not look for a very different ownership structures and copy this. They just looked at companies that they thought were very good examples of long term orientation, self-determination, independent companies. That's where they found those structures. They did many interviews for that. This was around 2017 / 2018. They founded in 2016 and this came in the years after.

A: Okay, so they looked at different companies, came up with the principles and then decided they wanted to develop the model and promote it?

F: Well, yeah. What really happened is that one of the founders had a company himself. He really wanted to do this as well. He realised that there was no easy way to do it and even though toping on events about those principles of SO and they found that there was not really a path to take for SME's. So they developed a legal hack. Basically like the golden share model that was implementable for SME's.

A: Yeah, they first had the principles and then came up with structures to implement it in different companies.

F: Yeah, exactly. What structures besides the foundation structures which are not really feasible for small companies.

A: In literature, foundation ownership is mentioned only a few times. SO not really, is there a reason for that? Is the term too new?

F: Yeah exactly, as the name is a relatively new concept and the group of companies implementing it is new, better said the name for it is new. Also the golden share, the golden share model was founded in 2018. Obviously that's quite new. SO is starting to get mentioned in literature as well. And its also really important to know that it is different from foundation ownership as in general foundation ownership. However, types of foundation ownership are steward-owned companies.

A: Okay, hopefully literature is coming in the next few years. Then, I want to talk about the advantages and disadvantages of SO. First, are the advantages mentioned by Steen Thomsen projectable on SO?

F: Yes. I would definitely say they are. But maybe coming from a very practical point of view, obviously we don't have facts for all of these. As I already said, the data is relatively lacking. Anecdotal evidence really speaks for a few advantages. One, is that entrepreneurs, owners, or the founders of SO companies can really make sure their values and the purpose, the company they want to bring forward, it's purpose will stay in the focus. And that makes it possible for them to hand the company over to employees or other people outside their genetic family because they can make sure that the purpose will remain focus and not the shareholder or the shareholder value of the future entrepreneurs. So a lot of entrepreneurs

actually see that as a very big advantage if you want to have a successor outside of your family. And also, you yourself stayed entrepreneur for quite a while, so you could think I don't really need those principles but a lot of the people we talk with they do not know what will happen if their company becomes really successful and valuable. When a big corporation or big investor comes and offers me a lot of money, we don't know what the prospect of a lot of money will do with our mind. And what will be our decision. So for companies it is some kind of self-protection, protection for the company from themselves. And then also it is definitely a signalling effect. So for example, one of the founders of Purpose, Armin, he had a company and he always said well we are all in this together, like all the employees are just working for this purpose, and he said this to all stakeholders, everyone. But one of the employees said well that is not really true to be honest, because is not actually every single email, phone call, and minute I spend for this company, isn't that actually for your private wealth. You tell the company everything I put into it, will be yours. Armin said, no no no, but then thought well it is true. Legally it is.

A: Yeah exactly, you can say it but you will never know for sure.

F: Exactly. So it is a really big signalling effect. As all the other legal structures signal all different thing. SO structure also signals the company will not get sold, the company will stay independent, and will stay oriented on purpose.

A: And the signalling effect works on all stakeholders, so employees, customers?

F: Yes. And also business partners. We often see, anecdotal evidence again, that like relationships with business partners are longer and more trust based. So for example, just now Wild Plastic, a young company in Germany, just founded last year, they are really cool and have this great business model, and they went into a huge cooperation with the Otto Group. One of the biggest European trader groups. I think, Otto is a family business, I don't think Otto would have done that when they would have thought that Wild Plastic could next year be sold to a venture capitalist or one of their competitors.

A: Yes, because they know for sure it is now about the mission and purpose of the company?

F: Exactly. I was thinking did I miss one advantage. Ah yeah. One that is also quite important is, I already touched it a bit with the signalling effect, but we currently see a lot of founders or entrepreneurs in general, of a new generation of founders basically, who want to do things differently. Who want to use alternative financing. Who want to do all these type of new work models like working together and low hierarchies, and so on. Often they realise that the conventual ownership structures would not work for them because that is not what they are looking for. It is not the way in which they think about entrepreneurship and a company. It is a real mismatch between what they want to achieve and their view on what a company should be and the legal structure.

A: Yes, they truly belief in their mission and want to protect that?

F: Yes.

A: Is this something that is becoming more trending or popular?

F: I think so, maybe a bit. Definitely because all these other things are getting more trendy like new work and so on. If you really deeply believe in this and want to follow this you need to also think about ownership, there is no way around that. That is the one side of it. The other side is that I think we were really missing the narratives about these types of ownership. A lot of people thought that you could not think differently about ownership. We have a lot of conversations with entrepreneurs, at events and also natural conversations, and we see that this is something they always wanted but did not know how to express it. SO is in currently in Germany quite a lot in the media. The more you get it out there, the more entrepreneurs realise that ownership is important. I don't think it is trendy, if it would have been done 50 years ago people would have already used it by now.

A: The attention is necessary for entrepreneurs to find out they can do something differently with ownership. To conclude the advantages part, can I say that by putting the purpose of the company in the centre, the other advantages are effects of that?

F: Yes. I told you based on anecdotal evidence why people want to implement SO right now and advantages of what can come out of it. In research, in Denmark, we see the more long

term behaviour and that is also true for young companies here. Also in the Netherlands. Another advantage that is really important and looks back at the signalling effect, is that employees understand that they are working for a shareholder but working for a purpose and that changes the way they think about a company and the way they identify themselves with the company. It changes the motivation. It makes them more productive. You want to be more responsible for a purpose you believe in instead of a shareholder. I also believe that a lot of the bad things we see in the world, like socially and environmental unsustainability of companies, comes from shareholder pressure and shareholders who are really far away. They only see numbers and want those numbers up or down. Like follow their shareholder value pressure and decide things that are really distant from the shareholders, the people who have actually the power. Cost cutting and profit maximisation leads to really horrible corporate behaviour. There still can be bad corporate behaviour in SO companies, but I believe that the people who are in power are way closer to the companies and actions, and because there is no pressure from maximising shareholder value, you have to be profitable but there is less cost cutting and everything. There is a lot more freedom on what kind of corporate behaviour you want to foster and which kind of additional things you want to take into account. As I said, there are a lot of different things that still can be bad in SO companies, but I think it is less and it is another motivation behind it, it is not cost cutting but it is a trade-off between two kinds of being suitable.

A: A lot of advantages of SO seem to come from the fact that money is maintained inside the company instead of going out to shareholders, do you think that is true?

F: Yes. In Denmark, we saw a lot of stability. But also in a crisis, now with the pandemic, again anecdotal evidence, but we talk to a lot of companies and asked them how they were doing during the crisis. And much of them said they were really fine even, they had losses because of the corona crisis as well, but they had a lot of equity to fall back on and their employees were motivated to help and maybe some of them had weight cuts, but the employees decided this themselves so no one else had to make this choice. We see a great stability that helped a lot during the crisis. And maybe something that is also a big advantage, more for society than for the company itself, is that there is way more social mobility. SO is not only about a legal structure but also about the question how we want to allocate power in society. We can do that via blood, or the sperm lottery as Warren Buffet called it. Just get lucky and get shares of a company. Or via money, the more you put on the table the more power you get. For me, that is not the best system, people with power are very value oriented. We open up the entrepreneurship position to people who not founded their selves or have the power but who have the abilities to do have it. That is important for society.

A: Yes. Entrepreneurs need to believe in this better way of regulating society?

F: Yes. Well, some of them do. But some of them just have no successor in the family. Most of them, particularly SME's, know they don't want to sell. They want to keep the company independent because they maybe saw what selling does to companies. It puts a lot of financial pressure on companies, I don't have to go into details, but a new shareholder puts a lot of money into a company and a lot of profit needs to come out of it to compensate that. We talk to so many entrepreneurs, often also family entrepreneurs, I am not going to sell. I would have done the family way but there is no one in my family who wants to takeover. They want to continue the family values outside the family.

A: Yes indeed. The last time we spoke, you told me about the three types of companies for which SO is interesting. Correct me if I am wrong. The first was family businesses who have no successor. The second one were start-ups who truly believe in their mission and want to protect that for the long term in their ownership. And the third are SME's, but this one is not completely clear, can you tell me what kind of companies these are?

F: It is not only start-ups, it is what I told you earlier, this new kind of entrepreneurs. Who feel the ownership concept we have is not fitting for them.

A: Ah, yes. In this case, the entrepreneur has the idea of becoming SO and implements it?

F: Yes. The third group is companies that build their business models on value. So for example sustainability. In this group I would put a lot of companies that are for instance in the

organic food sector. Sometimes these companies are in the succession phase but also sometimes, even more often, just like in the middle. They realise that there is another way to think about ownership that supports their value and purpose of the company more. I sometimes say that is some kind of mixture between the start-ups that rethink ownership and the family entrepreneurs who want a different way of succession. It is going in the same direction as a mixture of these two.

A: Yes, so these companies are striving for value, that is not money, but something else more based on society and sustainability.

F: Exactly. BuurtzorgT would probably be a good example of this. In Germany we have a lot of companies in the organic food sector who are SO. They have always lived SO in a way.

A: In these companies it was already about the mission and purpose. Okay, then I would like to ask you about the disadvantages of SO. Some of the advantages might have another side that can lead to a negative effect. You mentioned that SO companies survive better during a crisis, maybe this is a cause of being more risk averse. I would then say that SO companies might be good at growing very fast, what do you think about this?

F: I would not say that. We have seen a lot of SO start-ups that grew very fast. I don't think that, I think it is a very individual thing, that depends on how risk averse the entrepreneur is. I see two main disadvantages, that I would normally not classify as disadvantages, but for now let's name them that way. The first one is succession, by transitioning into the SO structure you basically ensure that the potential successors who might be able but don't really want to become entrepreneurs of a SO company because for them profit is the motivation, you just able to be more common into the company. You can see that as a disadvantage because it might be more difficult to find someone that fits with the company. You need intrinsic motivated people. That might be harder to find. We don't see it as a problem very often in the companies we talk with but it can become a problem. Another problem in current SO is the financing. Our investment world is based on the idea that money equals power. VC and PE investors they invest in a company by putting a lot of money in and getting shares with control rights. There are many different ways to do this, but the investors don't really want to do it differently yet or don't know it can be done differently. It is a disadvantage that at the moment there is just less money available for SO companies. But I don't think it is a disadvantage that those types of investors with such a mindset don't invest in you. We would see it as a disadvantage that those kind of investors would take power. Another disadvantage is that it currently is complex and cost more to implement SO. Currently the changes are not equal, you need to spend more time, resources and money to maintain your legal structure.

A: Yes, and that because of laws and regulations not supporting the structure?

F: Exactly. It is a competitive disadvantage. Another disadvantage, maybe not a real disadvantage but I don't know how to frame it. SO is a very clear signal that tells people you are not going to sell, stay independent, do it for our purpose. In our current society there are a lot of people who always go to the extremes. If you do something good but not perfect for example for the environment they will say, hey you are not doing enough. This sometimes can be good, but in business there are always trade-offs in which you can not help everyone, it is not the best decision for everyone. If you are in a SO construction, people are sooner going to put a finger on you. Even though you have a good structure you are not doing the best thing. Sometimes that might be justified but sometimes there might not be better options. Bosch is for example in SO structure, they did something that was from the environmental standpoint not the best decision but they were following their purpose. It was a trade-off against the purpose and what you want to focus on. You are just quicker being judged.

A: Okay, the disadvantages are clear. You already told something about the types of companies for which SO is suitable. But based on what can a company chose to become SO or not? Are there certain points that need to fit to become SO?

F: Yeah, so every time we do a consulting or advice we start with by asking the entrepreneur, we call it soul searching, really deeply understand what the entrepreneurs want, what do they want for themselves, what do they want for the company, where do they see the company in

the future, and what do they want for the stakeholders. If they say I want the company in 20 years to be this enormous unicorn, I want to make an exit and become rich. It doesn't fit very well. You can get money with SO, that's not the point, but it is a very different point from someone saying I want to change the world with my product. That sound really easy, but it is not. Because most people haven't really thought about that particularly. Many companies have also founder teams, often they come together and have this great amazing joined vision, then we push them into talking about their motivation, and what they want to get out of the company. They can realise, wow we are not aligned at all. Sometimes it really leads to conflicts in the team. For me that's the most important step. We have a few questions we always send them first, like what is a company for you, what do you want in the future with your company, what is your motivation to become a founder or an entrepreneur. That is the most important part for me. If that does not fit to SO, the process will not run smoothly. The decision will not make a lot of sense. We see that when teams or individual founders really have thought this through, really came to a conclusion on what they want for themselves and the company, then usually the SO transition moves quickly and smoothly. But if they have not, and think it is not necessary, it will bite them in the ass later. I think the mission is not really that important, you can go into SO with every mission.

A: Okay, but you put the mission in the centre so it is not necessary that the mission is focussed on society?

F: No that is not necessary. You need to have a real purpose, like you can not only say I want to become rich or only say I want to sell stickers. You need to have a purpose but that does not have to be that you want to change the environment. It has to be a purpose but I think that counts for every real company. But you are right, that there are quite a lot of companies that haven't thought about this as much. So definitely, talking about the purpose in this process as I mentioned earlier is important. But there are SO companies who make windows, who make shoe laces, it can be anything. The two things that are really important to go on in the SO process, are financing needs. Do you already have clear vision on your business model and how you will come into profitability. And if no, do you have enough money to come to the point where you know you will be. In the current investment world, you go into a project and say I have an idea but have no idea how I will make money with it, Whatsapp is a good example. Investors will go in there because they believe many people will use it, and eventually it will become profitable, and even if it doesn't it will get sold. For example to Facebook, as happened, for a lot of money. So the investor will receive the valuation at that point. In SO this classic way of exiting, liquidating the value of the company, that is not a part anymore. Usually you need a structured exit where investors receive money through the profitability of the company, for example through a share of profits until certain exit valuation. We are still, and a lot of clever people are still looking into what kind of different approaches could we take for companies that have no idea when they would become profitable. It is just more risky for investors and there are currently not really any ways to do this. Same if you need a lot of money, there is just not enough investment money in SO right now, so you need to find a different way. And also what kind of old structure do you have. Do you maybe have family members, or other investors as shareholders who maybe do not want to make a transition. If there are people with voting right who do not want to do SO, it becomes impossible. You need them out of there, you need all voting rights together.

A: With these point, for instance the purpose and old ownership structures, are these requirements, is it a hard yes or no or is it we can always try to find solutions?

F: If we talk with the majority of the shareholders we can always try. If the shares, the voting rights are distributed, it gets really difficult. Sometimes we get companies that are on the stock market and say wow SO looks really cool can we become SO. Well then we have to say if you get the majority shareholders then we can help but if the shareholders aren't willing to do this it is impossible. I don't think there will come a solution for this. It is a part of ownership, it is their property. We can not take that away.

A: Yes, I understand, then it is too hard.

F: Yes. We don't want to make advertisement for SO. We tell people it is out there. We don't ask companies to come to us. We need companies to come to us because the model is made for people who belief in it and want it themselves. It is only one piece in the puzzle of a more sustainable economy. We will always have companies owned by shareholders that don't want to lose power. I think that is fine, not all companies need to have the same model. We need versality.

A: Okay, are there other points you look at in the process, for instance stakeholders because they get multiple advantages from the model, is that something you discuss in the beginning?

F: Not in the beginning, as in can we even do the process. But it is a big part of the formation of the concrete legal structure. We look at, who are your stakeholders and what do you want for those stakeholders. For example, Organically Grown Company have like this really diverse owner / directors board were all the mayor stakeholders are presented with one person in the board. In other companies they say my employees are very important so I always want to give them options to become owner. And there are people who say stakeholders are all very important, I always want to inform them and have them understand what I am doing here. And there are people who don't, they will make decisions and tell the stakeholders later. It really depends on the entrepreneur.

A: Many options for this. I am interested in the financial performance of SO companies compared to other companies. Maybe not only financial, the performance can also be measured in different ways. The overall performance of SO companies how is that compared to other companies?

F: I think it is really similar. It is as good and worse as in other companies. It really depends on the business model I would say. That's also what Thomsen's data shows, that financial performance of larger SO companies is better than larger comparable companies but for smaller ones it is a bit worse. But the smaller ones are usually like semi charitable companies. So, in Germany we have very diverse SO companies and the data of the financial performance looks very well but for others it is more a mediocre performance. So it depends on the purpose, the business model, and the people working there, as well employees as the entrepreneur.

A: Maybe a disadvantage of SO is that there are no shareholders who can put pressure on the company when for instance thing go in a wrong direction. A shareholder can intervene, now a steward can maybe make bad decisions and they can not intervene. Is this a possible problem or can SO companies prevent this in any way?

F: I don't think it is missing. This thought is based on a way of thinking that is, you can only necessary adjustments, intervene, or have the best interest in a company, when you have a financial profit. I don't think that is true, I think that the entrepreneurs in those companies have the best interest in the companies, they are intrinsic motivated to be an entrepreneur. And what I see however, is that sometimes it is good to have people who are further outside the company as kind of advisors, that is what shareholders sometimes act like. We can do something like that in SO companies as well. If you have investors in there, you don't need to give them voting rights, but you should check in with them regularly, get their opinion and advice. If you don't have investors you can get people whose opinions you value and who are very connected to the company but not active involved in the company advise you. So I think this part of having shareholders I understand and having a view of the outside, the others I do not see.

A: I understand. And this can be regulated in different ways by adding managers or having an advisory board?

F: A lot of companies, the bigger ones, have advisory boards.

A: You already said something about getting capital in SO companies can be harder. How is this currently, Purpose is one investor but are there more, is this number growing, and does Purpose want to stimulate this number?

F: Yes, exactly. There are two reasons why we invest with Purpose. One, because we want to support SO companies and bring them into the world. The second, maybe even more important one, is that we want to create examples for investors. We try to only invest in companies where we only do a third of the investment. We for instance, invested in Wild

Plastic, in a second financing round, together with four other investors, very diverse investors, one impact investor, one private investor, a bank, and a family office. They invested with the same terms as we did. This is a great example because all are now talking about SO as a way they want to invest in the future. They realised they can make money with it and are convinced about the model. There is increasing interest. Of impact investor funds, but also VC and PE funds. They see the way we structured our funds and ask if we can help them to structure their funds in the same way. This interest is global. It is actually now one investor in the Netherlands that invests and turns companies into SO ones. We talk with investors from Spain, other ones in Germany, this is one of the main focusses of us.

A: Okay, do you believe that when more investors become interested in SO companies more companies will become interested in becoming SO?

F: Yes, that is one side. The other side is that, I would speak for myself maybe not for the whole organisation, but most of us see problems with the conventional way of investments. Do not go chase unicorns but normal zebras. There are so many more ways to do financing that is not much talked about. One of the cofounders of Zebras said: it is now like there are two flavours of ice-creams, vanilla and chocolate. Like venture capital and bank financing. And everyone needs to choose between these two. But this is not true, there are many more ice-cream flavours. We do not see these flavours and they are not talked about. But it is the entrepreneur decisions to pick the flavour they want, so the way. If it is raspberry please choose it, and not feel required to choose for chocolate.

A: That is a nice way of saying it.

F: I agree, therefore I use it quite a lot. I think that's the most important part of why we are trying to show a different way. To protect companies from choosing the wrong type of ownership and financing because they do not feel like they have other options.

A: In literature, it was mentioned that when founder maintain control in a company, managerial and professional skills could be missing in a company, do you think these skills could be missing or is this prevented?

F: I think again this is something very individual. I mean, for example, the founders of Einhorn they founded like 10 companies before. So they are experienced. Another company now on its path to SO realised they might lack these skills, and they hired a manager. So this will be different in every company and when possible lacking there are many solutions and find help. This is I think not a problem particularly for SO. In Germany we have many family firms where people work along their parents, also there you can do things like this. For example, you think that a certain employee would succeed as a steward owner they can work alongside you.

A: Is adding people, especially managers, then the way to solve this?

F: I don't think I can say something like that as strongly because it is too individual. The steward role is sometimes filled by the founders, sometimes by employees, or other people. It is all individual.

A: The last question I have is about the geographical focus of SO, in Denmark and Northern Europe the structure is more common, you guys are giving it more attention in Germany, is there a reason for the geographical focus of the model and is it particularly implementable in certain countries?

F: Thomsen wrote something about this. He thinks it is definitely in countries where legislation gives enough security to property and general entrepreneurial activity. There are many countries where there is not much freedom for entrepreneurial activity and there it is quite difficult. In Germany it is so popular because there are many family businesses. In the Netherlands we now get much attention because there are many social enterprises who talk about alternative ways of entrepreneurship. We are also active in the US, there are also quite a lot SO companies.

A: Okay, the US is more shareholder oriented so is it not more difficult to implement it there?

F: We sometimes talk with our team in the US about this. On one side, they do have a big disadvantage because the narratives are there so different. On the other hand, the system has evolved in a way that people realise that the system no longer works. This does not apply to all companies but the health system for instance is not working greatly. Especially in the

crisis people saw what they were doing to their economy. Shareholder value pressure is doing things to our economy that is not sustainable, the US team currently gets a lot of attention and companies are coming to them for help. They want to do it differently. There are not many companies that already live in a SO way, like in Europe. Legally it is quite difficult to do, but there is now a variant to a purpose trust that makes it relatively feasible to become SO when the company is big enough.

A: Okay. So there might be a geographical focus but this has to do with many different things like shareholder orientation, stakeholder orientation, laws and regulations, attention given to the model, current used ownership structures, many reasons?

F: Yes. The laws are important because we get a lot of interest from France but there we did not find a way to implement the model. Another region we are very active, is Chile and Latin America. We also have a team there.

A: So, in France the laws are not supporting but do you think this will come?

F: I think this depends on whether there are enough entrepreneurs calling loudly enough. It also depends, in Germany we have now this discussion about a new legal form coming, if it is really a big if, this comes true the legislation in other countries might change as well.

A: That were my questions. The last thing I want to ask, maybe you have a short answer / conclusion to my research question: What is the added value of implementing the Steward Ownership structure into a company for the founders and managers of a company?

F: The added value of SO is that it gives entrepreneurs a way of ensuring their understanding of what a company really is and their understanding what entrepreneurship in the ownership structure of the company and align the values and ownership structure.