We believe that the economy can do better. We envision an economy that serves society and the people. With everything we do we help purpose-driven companies.
The Problem

The economy today is losing its ability to serve society and the people. Current trends and challenges such as challenges to internet neutrality and the rise of network-based technology monopolies such as Google and Facebook are accelerating this trend. Alternatives are and will be needed:

1. Centralisation of capital and power
2. Increasing social injustice
3. Irresponsible business practices
4. Demotivated and burned out employees
5. Short-term, speculative investment strategies
6. Inefficaciousness to adapt to digitalised and globalised 21. century

The Proposal

Many founders, entrepreneurs and businesses strive to build or preserve a purpose driven company.

We are rethinking and redesigning fundamental aspects of companies and the economy. We offer concrete alternatives for, ownership, management and investment to enable companies to become and stay purpose driven.

The Consequences

By 1. supporting and enabling purpose driven companies and 2. scaling a movement that brings more successful purpose driven companies to life, we expect to see the following effects and opportunities:

1. Alternatives where helplessness & disorientation dominates
2. Growing responsible and human behaviour in organisations
3. Increased success of purpose driven companies
4. Create a „social test habitat” to answer the question of how the future of the economy and it’s role in society will look like
5. Explore new forms of cooperation between companies
6. Explore how the economy can increase its ability to solve the challenges of the 21. century
7. Political changes to concepts of ownership and investment
8. Efficiently employed, sustainable capital
9. Sustainable, successful VCs
10. Increased purpose driven entrepreneurship
Impact
A venture exploring one of the most important impact drivers for society

Relevance
Purpose offers the opportunity to be part of a journey exploring one of the foundations of society - the economy and the way we work.

Work always has been a highly relevant influencer for society. In times of the third industrial revolution and the big transformation, change is on our doorstep in any case.

But which direction will this transformation take?

Vision
We work for a responsible, social and free economy serving society and the people - a Purpose-Economy.

Mission
We want to change and influence the economy bottom up by 1. validating successful alternatives 2. supporting purpose driven companies and 3. creating examples how the company and economy of the future could look like.

Every Purpose-Company is one step on our way to the Purpose-Economy. That's why we help start-ups and small and medium sized companies to become or stay Purpose-Companies.

Core Assumptions
1. We believe in a positive concept of man.
2. We believe that responsible behaviour happens when decision making, execution and consequences happen close to each other.
Core Aspects

With alternative solutions for management, ownership and financing we bring purpose to life in every core aspect of company building.

Purpose Triangle

To build a responsible, purpose driven company you need the right parameters. Lots of companies already managed to make this possible.

We make it easier to become or stay a purpose driven company. We offer alternatives and help to create a successful process. We want to create more success stories and scale change.

- **Purpose Management** to create organisation and management structures that serve the purpose.
- **Purpose Ownership** to make sure the Purpose-Principles are not changeable.
- **Purpose Investment and Purpose Fund** to enable companies to grow in a sustainable and purpose driven way.
Purpose Network

The Purpose network advises founders and owners of SMEs on all aspects of building a purpose-driven company including the legal structure, investors and management. It provides the following resources:

1. Purpose-Foundation to implement Purpose-Ownership
2. Purpose-Fund provides Purpose-Investment
3. Purpose Consult co-creates management and organisational structures
4. The purpose network facilitates sharing of resources and information between purpose companies
5. The purpose network builds a pool of potential successors for founders of purpose-driven companies
6. The purpose network promotes the idea of self-owned, purpose-driven companies at conferences and events

PurposeNetwork

A network to supply resources to purpose-driven Companies

Purpose Foundation
Supporting the purpose network, facilitating self-ownership

Purpose Fund
Connecting self-owned companies with investors to fund growth

Purpose Consult
Supporting companies in building effective organisational structures
Rethinking Company Ownership

The Problem
Current legal forms for companies only allow for a very limited understanding of ownership.

We believe in the benefit of the personal responsibility that comes with private ownership, but we challenge the orthodoxy that a company serves its owners and not the other way around. We understand company ownership as a trusteeship and responsibility to the company and its stakeholders.

Purpose Approach
We propose a new form of ownership called “Purpose-Ownership”, which we understand as a form of self-ownership.

Purpose ownership decouples voting rights from dividend rights. Those who are leading a company and are actively involved hold the voting rights. Those voting rights must be passed on to successors as soon as somebody leaves the company.

We call this self-determination of the company. The dividend rights are held by investors without voting rights. This approach is inspired by companies like Bosch and Zeiss, which share similar ownership principles.

The Consequences
Purpose ownership is a clear signal to employees, investors, clients and other potential collaborators that their contribution benefits the purpose of the company rather than the private wealth of equity holders.

This leads to: 1. highly motivated entrepreneurs, 2. intrinsically motivated employees, 3. better access to cheaper financing, 4. more trusting and committed customers, 5. increased social responsibility 6. less unequal private capital accumulation.
Purpose Foundation

Purpose Ownership to make sure the Purpose-Principles are not changeable

Purpose Principles

The Purpose Principles are the foundation of a Purpose-Company. They are written in the statues of every Purpose Company to ensure they are and stay purpose driven.

Ownership = Entrepreneurship

Voting rights always belong to those, who lead the company and are responsible for it. If a founder leaves the company, she must transfer her control rights (ownership) to a successor, who is committed to the purpose and the idea of the company.

Profit = Means, not an end in itself

Voting rights (company ownership) are not connected to dividend rights. Investors receive fair dividend rights (or fair interest rates) but no voting rights. Purpose companies understand profits as seeds for the future not as end in itself.

Legally Binding Commitment

The Purpose Foundation ensures the Purpose-Principles can not be changed. The Foundation holds a small percentage of the companies’ voting rights to secure a veto right against altering the purpose principles in the constitution. Alternative legal frameworks are also possible.

Ownership hack: the Foundation holds 1% of the voting rights and veto right on Purpose-Principles. The Foundation itself is obliged to always veto if the purpose principles shall be changed.
Rethinking Investment

The Problem

Control vs. entrepreneurship

Entrepreneurs often become managers of speculation objects, controlled by investors. This is not particularly motivating for anyone in the company, because the interests of the investor are generally prioritised over the purpose of the company.

Long instead of short term life cycles

Traditional investors often want to earn back their investment, sell the company or bring in another round of investors within a relatively short timespan. This might be good for the interests of investors, but it is not always good for the purpose of the company.

Purpose Approach

If funding or growth capital is needed the Purpose-Fund to enable longterm sustainable growth of purpose driven companies.

The purpose fund and our network of affiliated investors are willing to invest in purpose driven self-owned companies that respect the Purpose-Principles.

The Consequences

Collaboration and sharing of services, information and other resources is possible when everybody knows that all companies in the network are purpose driven. We want to explore the degree to which organisational borders can fade away and an "ecosystem of entrepreneurs" can emerge.

Highly motivated entrepreneurs, which are independent, but supported by peers and advisors.

An evergreen fund that supports a decentralised bottom-up economy

Purpose driven allocation of resources and increased sustainability.
Purpose Fund

The Purpose Fund invests in start-ups indefinitely, with no plans for an exit.

Investors cannot force the fund to buy back their shares and exit investments. They can however freely sell shares and thus liquidise them without harming the Purpose Fund.

Dividends can exceed the risk-free interest rate by up to 5%.

Overview

An alternative way to finance start-up businesses.

1. The Fund is evergreen and does not do conventional exits.
2. Investors can receive a capped dividend, can sell their share of the fund but do not possess voting rights.
3. Investment decisions are made by an investment board consisting of experienced advisors, Purpose Fund management team and representatives of the Purpose-Companies.
4. The fund invests exclusively in self owned businesses.

Investors
buy tradable shares without voting rights

Purpose Fund

Equity financing without voting rights

Dividend
The Problem

Simply put the design of an organisation of purpose driven people shouldn’t use management blueprints that were designed to control and motivate people in a profit orientated environment based on a highly negative concept of man.

If you want to create an economy that serves society and the people you need to apply a different structure.

Further more companies face ever growing complexity. The ability of traditional management structures to deal with the challenges of 21. century are limited. Hierarchies, heteronomy and functional organisations are not the adequate answer to a world that is determined by speed, flexibility and uncertainty.

Purpose Approach

Management structures build on a positive concept of man, trust and self-organisation.

Purpose driven companies allow to fully activate one of the strongest abilities of mankind to solve problems: cooperation.

Purpose-Management strengthens responsible behaviour throughout the company, makes real cooperation possible, brings out the full potential of employees.

Every aspect is designed to enable responsible behaviour. The basis for this to put together decision making, actions and consequences.

The Consequences

Explore how new forms of management can be influenced if you dare to challenge the investment and ownership part as well.

Build smarter, faster and more human companies that are alive, successful and responsible at the same time.

Find answers to equip companies with the ability to successfully react to the challenges of 21. century

People who work in such an environment will act more conscious and drive responsibility and change in their environment.
Purpose Consult

Purpose Management to make sure organisation and management successfully serve the purpose

Basics of Purpose Management

We co-create alternative management and organisational structures with start-ups and small and medium sized companies.

We facilitate the process and give input and inspiration. We design organisational structures and processes to enable responsible behaviour. We believe such behaviour happens when decision making, action and consequences happen close to each other.

We take answers and solutions further than classic management books and take a more wholistic and systemic approach. We put people and purpose in the center and find the suitable solution for a successful and sustainable value creation.
Advisory Board

Thomas Sattelberger
Former Board member at Deutsche Telekom (T-Mobile) and Continental

Alexa Clay
Author, writes about grassroots innovation, technological change and economic transition

Alexander Schwedeler
Change Manager, former Managing Director Triodos Germany

Daniel Schily
Supervisory Board Member Voith Group
Board Member Democracy International

Wolfgang Gutberlet
Longtime Managing Director & Owner tegut, Owner W-E-G

Michael Bauwens
Peer-to-peer theorist & Commons lecturer (P2P foundation, FLOK SOCIETy)

Prof. Dr. Sabine Fischer
Business Consultant and Lecturer
Focuses on sustainable change and digital innovation

Dr. Lambertus Fuhrmann
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Alexa Clay
Author, writes about grassroots innovation, technological change and economic transition

Prof. Dr. Sabine Fischer
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Advisory Board
Purpose Network
Core-Team

Armin Steuernagel
Education: Politics, Philosophy & Economics (University Witten/Herdecke & Oxford University)
Selected Experience: Serial Entrepreneur, Founded MOGLI, WALDORFSHOP, Democracy International and others

Alexander Kühl
Education: Economics (University College London), Philosophy, Politics & Economics (University of Oxford)
Selected Experience: NERA Economic Consulting, MAHLE

Adrian Hensen
Education: Business Psychology (HS Fresenius Cologne)

Pedro Jardim
Education: Business (Alanus University)
Selected Experience: Founder of: AGORA, NEOTRIBES, COLIGA

Achim Hensen
Education: Business Psychology (HS Fresenius Cologne)
Selected Experience: Self Management Facilitation Traum Ferienwohnungen GmbH, Product Management Traum Ferienwohnungen GmbH, Consultant nextpractice GmbH