

Patterns and Critical Reflections

Founding a Business Based on a Regenerative and/or Distributive Purpose

The companies and organisations covered in the case studies were all founded on the basis of a regenerative and/or distributive purpose. A common feature is to have regenerative and distributive values deeply embedded in the convictions and commitments of the leaders, particularly the founders of organisations.

A founder's beliefs and values can leave a lasting imprint on a company, shaping its culture long after their departure. This is evident in the cases of *WEtell*, *Wildling Shoes*, *Sonnentor*, and *Sekem*. However, reinforcing and embedding these values structurally through the enterprise design is just as critical. For instance, strong member and employee engagement also plays a crucial role, as seen in *FoodHub* and *robinhood.store*, where members' dedication is essential to sustaining and running these organisations. It is the design of these enterprises that enables engagement to occur at this depth.

Shaping business design to deliberately reinforce the business's purpose is essential. This plays a central role in the development and establishment of innovative practices within the respective design traits, for example in the development of network design, as demonstrated by *On Purpose*, *Wildling Shoes*, *Commown*, *Sekem/Ebda* and *Sonnentor*. Moreover, it can inspire other company founders to follow this way of designing and doing business from the outset.

However, there might be limits to applying these models to other companies and organisations originally founded solely for-profit, with a focus on maximising returns to investors. We hope that the innovative practices of our case studies can exemplify how a shift within, for example, an organisation's ownership design or governance design toward a more self-organised form can serve as a first step in rethinking and reframing purpose. This, in turn, opens up possibilities for strengthening regenerative and distributive goals and unlocking strategies to pursue them with ever greater ambition.

Deep and Substantive Community Engagement

The case studies on network design focused on the community in and around the businesses, showing how this community makes this kind of business possible in the first place.

Across all case studies, the presence of a community that supports the purpose of the business was central.

Having such a community also aligns with a long-term time horizon of investments, as seen in *The Generation Forest* and *Regionalwert AG*, or the community-owned supermarkets such as *FoodHub* in Munich or *robinhood.store* in Berlin.

Authenticity through Coherence between Purpose and Governance Design

Our case studies demonstrate that developing coherence between a business's regenerative and distributive purpose and its governance design enables a truly authentic approach.

For instance, the case study of *Mein Grundeinkommen* illustrates this: they do not only pursue the goal of a fairer distribution of time and money by raffling off a basic income but also adopt a self-organised governance design that enables the kind of freedom a basic income offers—not just for beneficiaries but also for their members.

Similarly, the case study of *Wildling Shoes* revealed that truly achieving their regenerative purpose depends on their internal governance design. By embracing self-organisation and holacracy, they create genuinely regenerative working conditions for their employees.

Supportive and Inclusive Processes for Moving to Self-Organised and Holacratic Governance

Effectively engaging employees and (where relevant) members of the business is essential when implementing a holacratic and/or self-organised governance design. Achieving this requires a focus on developing the necessary competences and skills. These were explored in the case studies of *Wigwam*, *Mein Grundeinkommen*, *robinhood.store*, *FoodHub*, *Wildling Shoes*, *WEtell* and *On Purpose*.

To avoid frustration with and the failure of new hierarchies and management structures, it is essential to allocate sufficient time and focus on engaging employees and members to understand their interests, motivations and capabilities. This was demonstrated in the case study of *Wildplastic*, which aimed to create flat hierarchies and a fair, efficient working environment but soon realised that such a transition

would take time. They referred to the dangers of ‘over-engineering’, which slowed-down decision-making processes, as not everyone needed or wanted to be involved in every decision.

Any changes to governance design require processes that support and empower teams, members and co-owners of an organisation (Breidenbach/Rollow 2019), as was the case with *WEtell*.

WEtell introduced a transparent wage system in October 2023 and gave this process the appropriate time and space. The founders encouraged a team of employees to co-create a new, fairer wage model. This group, which represented different parts of the company, worked through various options and gathered feedback from the entire staff to ensure the solution would be both competitive and transparent. The process was not just technical but allowed for emotional support as well. Discussing wages openly revealed how deeply money and fairness are connected, even for those who primarily view work through a values-driven lens. Ultimately, the team proposed three models, and after collective discussion and a company-wide vote where every employee had the right to veto, the new system was accepted unanimously.

There is a tendency across all case studies to implement or at least to experiment with some new and innovative governance models. These are partly referred to under the term “New Work”. As covered in the introductory chapter, worldview and design are interrelated and strongly influence each other (Wahl 2022: 131). As Frederic Laloux (2016) points out, throughout history, the forms of organisation that have been invented were linked to the prevailing world view and consciousness. And whenever the view of the world has changed, new forms of organisations have been created.

According to Laloux (2016), a transition to a new form of organisation has emerged, which he calls integral, evolutionary organisations, drawing a comparison with living systems instead of machines. These emerging organisations are characterised by the following three breakthroughs that can already be observed (Laloux 2016: 54–55):

- **Self-leadership:** Just like complex systems in nature, evolutionary organisations function without the need for hierarchical order,
- **Wholeness:** In evolutionary organisations, all parts of the human self are relevant and brought to work (e.g. rational and emotional components); and
- **Evolutionary meaning:** Evolutionary organisations do not control their members, but allow them to participate in their own development, direction and meaning.

The case studies show a tendency towards the development of new forms of organisation across all the traits of enterprise design.

Design Traits Interact with, and Enable Each Other

Each case study contains an “Interaction with Other Design Traits” section. These illustrate the highly interactive nature of the relationship between different design traits, often with one design trait being central to enabling other traits. For instance, the case studies of *WEtell*, *WoodenValley* and *Wildplastic* demonstrate that the steward-ownership model of “Verantwortungseigentum” can be considered as a new and effective way of guaranteeing that an organisation’s purpose is maintained over time.

In the case studies of *Commown*, the *FoodHub*, the *robinhood.store*, *The Generation Forest* and *Regionalwert AG Franken*, the interaction between the design traits of purpose, ownership, finance and network plays a crucial role, as each business’s community enables its ownership and finance design and therefore its purpose.

Two of the case studies – *Wildling Shoes* and *Sonnentor* are family-owned. This provides them with financial independence, allowing other design elements to be woven into the business, especially into their network design.

These case studies reveal that it is possible to start with a transformation within one design trait, but to fully unlock regenerative and distributive dynamics, other design traits also need to be redesigned to reinforce the purpose.

Limited Legal Structure Options Restricting Regenerative and Distributive Dynamics

The case studies use different legal forms, including:

- limited liability company that incorporates a steward-ownership design (*WEtell*, *Wildplastic*, *OnPurpose*)
- not-for-profit limited liability company that incorporates steward-ownership design (*WoodenValley*)
- different cooperative models (*Commown*, *FoodHub*, *The Generation Forest*, *Wigwam*)
- not-for-profit, and for-profit associations (*Mein Grundeinkommen*, *EBDA*)
- civil joint-stock corporation (*Regionalwert AG Franken*)
- company under civil law (*robinhood.store*).

Yet across these, the case studies demonstrate a lack of options of legal structures in Germany, resulting in several obstacles for achieving regenerative and distributive dynamics. One main obstacle is demonstrated in the *robinhood.store* case study. Although they generate profit, which is reinvested and donated, there is no clear legal form that fully aligns with their approach. While the not-for-profit legal form cannot be adopted because it does not allow for profit-generation, the for-profit options

also do not meet their needs. Another option is using the form of a company under civil law, which can work, but it does not fully align with their approach. The case of *Mein Grundeinkommen*, which uses the legal form of a not-for-profit association, exemplifies exactly this dilemma. Their legal structure forced them to suspend their needs-based salary model, and they are currently rethinking this concept.

Another challenge in the *robinhood.store* case study is the conflict between their holacracy and self-organisation model and the legal requirements of cooperatives and associations. As the forms require a management board, they complicate the implementation of a true holacratic design.

Across the cases, there are multiple instances of legal structures not aligning with the regenerative and distributive purpose of the business, especially in relation to ownership and governance design. New and adapted legal structures are needed in Germany to overcome such challenges.

Innovating Beyond Conventional Business Thinking

A key characteristic of these case studies is their pursuit of unconventional ideas and solutions. Often, these ideas are considered impossible by mainstream businesses such as offering biodynamic food at an affordable price for all. The case of *Sekem/EBDA*, with the introduction of the whole credit system demonstrates how a regenerative business design serves both the environment and people by making biodynamic food accessible and affordable to all.

Similarly, *Commown* drives change across their industry through the establishment of a circular ecosystem. Instead of following the patterns of short-term incentives to sell new products (e.g. mobile phones), *Commown* established a rental model that enables using products “for as long as possible”. This model contributes to transforming the entire incentive structure within their market and industry.

A third example is *Regionalwert AG Franken*, which uses patient and community-focused investment models to enable ecological and social projects that are often rejected under traditional investment approaches.

These examples illustrate that innovation is possible when businesses and entrepreneurs are willing to go beyond conventional business thinking.

Intertwining of Redesigning Business and Inner Development

Our case studies demonstrate that the inner development of organisations and businesses – towards anchoring their regenerative and distributive purpose within their

design traits – is closely linked to the inner development of the founders and the community or cooperative members.

These inner development traits align with the **Inner Development Goals (IDG) Framework**, which focuses on five key categories: Being, Thinking, Relating, Collaborating, and Acting (IDG 2021). The way these individuals **think, relate, collaborate, and act** significantly differs from mainstream business practices, highlighting the importance of inner development in driving business transformation.

- Focus on **openness and learning mindset**: Willing to learn and discover new forms of regional production with fair and circular supply chains. For example, Anna Yona from *Wildling Shoes* shared how the organisation worked and experimented with new and unconventional materials such as washi tape or dog wool.
- A different way of thinking, focusing on **long-term orientation and visioning**: The time horizon embedded in the mindsets and values of those supporting the specific regenerative and distributive purpose can be critical. For example, it became clear that the financial design trait of *The Generation Forest* and *Regionalwert AG Franken* both depend on investors who take a patient approach to financial returns. Either as cooperative members or as shareholders, these investors view their investment as a contribution to intergenerational justice and to enabling fair and biologically dynamic food production in their respective regions.
- **Trust**: This value was mentioned in all network design case studies as one of the central elements for collaborating within their communities. The way trustful relationships are grounded differs from case to case, including practices like building partnerships based on personal connections, as seen in *Wildling Shoes*, or extending trust to all members, as *On Purpose* does.

These characteristics correspond to different sub-dimensions of the Inner Development Goals Framework which consists of the five categories: Being, Thinking, Relating, Collaborating, Acting (IDG 2021). They emphasise the importance and intertwining of the inner development of the people involved in redesigning a business towards regenerative and distributive dynamics.

Patterns of Responsibility

Iris Marion Young (2006) identifies four parameters of responsibility for assigning co-responsibility in changing global economic structures: power, privileged position, interest and collective ability.

Her concept of co-responsibility, which focuses on changing existing global structures, can also be applied to the internal design of companies and organi-

sations. The key lies in combining external responsibility, namely the pursuit of a regenerative and distributive purpose, with internal responsibility – the regenerative and distributive design of internal structures such as financial structures, governance structures, network structures or ownership structures. This combination enables the creation of coherence both internally and externally, facilitating real change towards a regenerative and distributive economy.

Young's **criterion of power** relates to varying degrees of potential and actual possibility, such as access to resources and the ability to influence processes and their outcomes. At an internal level, our case studies show that redesigning businesses, e.g. through joint ownership structures or moves towards self-organisation, can lead to a more even distribution of power, thus enabling the adoption of more ambitious socially and ecologically focused strategies. However, our case studies also demonstrate that the power of conventional market players can hinder regenerative organisations from achieving their goals. *Wildplastic*, for instance, actively lobbies for broader policy change to level the playing field for businesses focused on driving social and ecological solutions. However, they face opposition from established, powerful and loud industry giants who benefit from the status quo.

Young's **criterion of privileged position is also relevant**. A notable feature across all case studies is that they originate from German-speaking countries. Given that these companies are located in the Global North and their supporters, including cooperative members, are also citizens of Global North countries, it can be assumed that the actors involved in these companies occupy a relatively privileged position within global structures. This position places greater moral responsibility on them to contribute to organised corrective efforts "because they are able to adapt to changed circumstances without suffering serious deprivation" (Young 2006: 128). Our case studies demonstrate that opportunities to contribute to regenerative and distributive businesses exist and can be created, especially for those in more privileged positions.

Finally, throughout the case studies, Young's **criteria of interest in transformation and collective ability** emerge as the most important parameters to unlock co-responsibility for redesigning businesses towards social and ecological goals. The high level of interest from the founders and the community members enables a collective capacity within a broad community of people, who become integral to the businesses' deep design. This insight can encourage organisations globally to commit to change, even if they initially appear powerless and unprivileged.¹

1 You can find further examples of case studies based on Doughnut Design in other countries on the Doughnut Economics Action Lab website: <https://doughnuteconomics.org/tools/doughnut-design-for-business-case-studies>.