The Business Collective

Mission Statement:

Business Collectivism is the theory that traditional business and economic practices are based upon exploitative models heralding from imperialistic and aristocratic roots designed to consolidate the majority of value produced by those businesses and economic systems into as few hands as possible. The heart of this exploitation is the exclusivity of equity held in business whereby a strict minority owns the bottom line fruits produced by the economy and the businesses operating within that economy, keeping the vast majority of those contributing to the economy and their individual businesses relegated to the cost-to-be-minimized liabilities column of the business balance sheet with no share in the profits and no incentive to excel. The majority’s inability to buy into ownership leaves them to be taken advantage of, and much of the value of their economic efforts are extracted by the few that control the equity. These economic and business systems are at the root of the vast majority of U.S. and globalizing injustices, including immense and growing disparities in income, wealth, opportunity and quality of life.

The ‘it’s not personal, it’s just business’ trope has never been moral or logical, but always a propagandist justification for the perpetuation of inherently unjust business and economic practices. In fact, nothing could be more personal than those systems which most directly affect the quality of life of all *people*. And nothing has a more detrimental impact upon humanity as a whole than the equity-consolidated business model promoted by unrestrained capitalism that supports the growing disparities in quality of life across the nation and the planet and underlies almost every injustice experienced by the human race. At the same time socialistic and especially communistic economic models and publicly owned business enterprises quash the incentive to produce and be rewarded for hard work, ingenuity, innovation and risk taking that capitalism so successfully and justly promotes. Therefore, the avenue toward economic, business and social justice lies in the middle: an equity-*distributed* business model that prevents the consolidation of profit and the growing disparity in quality of life and roots out all the directly connected injustices at the same time that it upholds the merited reward of private ownership. The Business Collective was designed to promote the spread of justice through this merited balance.

Mission Parameters:

The *Zero Exploitation Foundation* attracts people of similar interests, complimentary knowledge and abilities and the potential to financially invest in the start-up of the enterprise to which they will be contributing. The organization assists in bringing individuals together on this basis and then crafts the custom contract that binds the group *composed entirely of owner-operators* into an LLC or Corporation . The percentage of ownership garnered by each owner operator will be determined by an evaluation of *merit*. In addition the foundation may invest in the start-up of the business collective and assist in the continuity and growth of the enterprise through the providing of various services, including consulting, accounting, the hiring of new owner-operators etc. as agreed upon during the foundation process.

Mandated and Promoted Contractual Business Collective Formation Stipulations:

* The *Zero Exploitation Foundation* agrees to assist the owner-operators of all business collectives in which it assisted in founding and maintains a minimum 5% equity share, in the adjudication of all disputes and complications arising from their contractual obligations detailed herein. The business collective agrees to permit the foundation to review its operations for compliance at any time that the foundation is given any reason to believe that non-compliance is occurring. If the business collective is found to be non-compliant they will be served written notice of non-compliance and must be made compliant within a reasonable period of time as determined by a majority of the Board of Directors of the relevant regional chapter of the foundation. If the business collective is found to be in non-compliance and is served a written notice of non-compliance at least three times, the foundation may, at its prerogative, sever affiliation and demand to receive its equity valuation paid in full by the business collective within one year.
* No owner-operator in any business collective is entitled to any income until a net profit is achieved in at least two consecutive months. Once this two consecutive months of profitability is maintained dividends are to be distributed on a monthly basis according to the percentage of equity owned by the individual owner-operators. No business collective may relinquish more than 49% of its equity to non owner-operator entities for any reason at any time.
* The *Zero Exploitation Foundation* may invest in the start-up expenses incurred in launching any of the business collectives that it assists in founding, but is not required to do so in order to assist in the founding of a business collective. The amount of equity in the launched enterprise owned by the foundation in exchange for founding services and their potential investment may not exceed 49% (a non-controlling share) and may not fall below 5% when money is invested by the foundation or below 1% when no money is invested and only start-up services are rendered by the foundation. Owner-operators that found their business collectives through the foundation or that come to be owner-operators subsequent to foundation will possess the right in perpetuity to buy the equity in their business collective owned by the foundation all the way to the 5% or 1% level based upon a current evaluation of the net worth of the business conducted by a sufficiently neutral and qualified third party. All money invested in business collectives by the foundation must be approved by a majority of its Regional Board of Directors.
* For the purposes of preventing consolidated control of the foundation new regional chapters of the foundation are to be founded whenever the operations of the foundation extend to a new state, at the minimum (new regional chapters may be founded without this minimum requirement at the judgment of a majority of the board, or boards, of directors within the state in which the new chapter is being considered). A majority approval of the board of directors must be attained for the hiring and firing of all new members of the regional chapter of the foundation and in the investment of money in new business collectives by that regional chapter. No member of the regional board of directors may be fired or demoted without all members of the board other than the subject member being in approval.
* The dividends generated by the percentage equity of the formed businesses owned by the *Zero Exploitation Foundation* as compensation for start-up assistance and continued consulting and networking services shall be dedicated to the continuity of the foundation’s operations, including paying all salaries of members of the nonprofit foundation and accumulating monies in the ‘Pay it Forward Fund’ that are to be dedicated to investing in the launching of ever more business collectives as well as advancing funds to current business collectives up to 49% as stated above. No member of the *Zero Exploitation Foundation*, including members of the Board of Directors,may receive more than a one percent raise per annum and may not receive a raise in arrears (if five years pass without a raise being approved only a one percent raise may be approved, not a five percent raise).All raises must be approved by a majority of the Board.
* *Every* individual that works for the company *must* be an owner-operator receiving a percentage equity stake in the organization, potentially in addition to a salary or wage that can only be determined as payable and offered after approval by those collectively holding a majority equity stake in the business collective (most decisions require 51% of the ownership to concur). The percentage of equity held by each individual will be calculated based upon a three part system of evaluation written into the formation documents of the business and signed by every new owner-operator, as described in the following point herein.
* The relative three part equity ownership evaluation applied to every individual:
  + (1) M = Money invested in the Business Collective, either at start-up or later at the agreement of a minimum 51% equity-controlling vote of the current owner-operators
  + (2) P = The relative importance of the position of the individual within the business collective, based upon their level of responsibility and relative contributed value
  + (3) E = An annual evaluation completed by all members of the business collective in which every member assesses themselves as well as every other owner-operator member as to their whether those owner-operators possess a merited equity share of equity based upon the value they continue to provide to the business collective
  + The relative equity ownership evaluation per owner operator is weighted = .4M + .4P + .2E, to be reassessed once per calendar year (with the foundation’s assistance if the foundation is awarded a 3% share for providing accounting and disbursement services) and each individual owner-operators relative equity evaluation score being added to the evaluation of all other owner-operator scores to produce a total business collective value to which their relative score is compared as a percentage to produce a total equity share which that owner-operator will enjoy the subsequent calendar year
  + Each factor in the three part evaluation possesses its own calculation, with the structure of each being supplied through an annually evolving reassessment by the foundation provided to each established business collective. Each business collective has the option of awarding the foundation a 3% equity share to do the accounting and net income based equity calculations and disbursements to all of its owner-operators. In lieu of this accounting and disbursement service the business collective must commit to the formula as it evolves over the years in response to lessons learned by the foundation.
* Individual owner-operators become ‘vested’ when any two of the following three conditions are met: (1) they were original members of the business collective when it was founded (2) they own at least 10% of the equity in the business collective (3) they have been owner-operator members of the business collective for at least five consecutive years. If a vested owner-operator leaves the business collective for any reason, whether of their own accord or from being fired, or upon their deaths, they or their inheritors are entitled to receive the valuation of their equity upon their separation as performed by a sufficiently able and neutral appraiser. This buy-out payment based upon their relinquished equity, which must be relinquished upon their separation, is payable by those owner-operators and/or the *Zero Exploitation Foundation* that absorb that equity, the opportunity of which is relative to current equity ownership held by *all* owner-operators (not just vested owner-operators). If those entitled owner-operators are unable or unwilling to buy and absorb this equity, any such non-acquired entitled portion passes by right to the remaining owner-operators relative to their current equity share. The process continues until all the relinquished equity is absorbed and the buy-out payment is made in full. The buy-out must be completed within one year. If, as a simple example, a business collective is owned equally by eleven individuals and one of the vested owner-operators quits or is fired the remaining ten owner operators are automatically awarded the right to purchase up to one-tenth of the one-eleventh of the total equity in the business collective relinquished by the separating owner-operator. If the separating owner-operator cannot be paid in full a majority equity holding membership of the remaining owner-operators may approve a debt used to satisfy the remainder or may approve the setting aside of net income into an account for the purposes of acquiring the equity to be granted relative to the current equity held by those owner-operators.
* *All* equity held in the business collective by non-vested individual owner-operators is redeemable only in terms of dividends received from the net income produced by the business collective by current owner-operator contributors to the enterprise and the *Zero Exploitation Foundation*. Equity may not be bought by outside investors or sold by owner-operators to outsiders either during their involvement in the business collective or upon their separation from the business collective. Taking on new debt, hiring new owner-operators and firing current owner-operators requires the approval of a majority equity vote (taking on new debt and firing and hiring owner-operators can only be achieved through a vote of those owner-operators and/or the foundation controlling a minimum 51% of controlled equity), and when any owner-operator leaves the business collective or is fired through a majority equity vote their equity share in the business collective passes into an intermittent share to be absorbed by their replacement(s) by the time of the next dividend distribution or to be distributed to all owner-operators relative to their current equity share.
* The assignment of percentage equity to newly joining owner-operators of the business collective requires the approval of a majority equity vote of all other owner-operators. No owner-operator may receive less than a 1/2X share of the equity in the business collective for their contributions to that business collective, with X being the total number of owner-operators in the business collective, including the *Zero Exploitation Foundation*. Independent contractors may not be hired to circumvent this rule of non-exploitation. Though the business collective may enter into business arrangements with any other business enterprises for its own operations and growth, those business enterprises must remain independent of said business collective and may not be directly involved in the operations of the business collective. If, as an example, a business collective composed of nine owners, including the foundation, makes a majority equity determination to hire a tenth member as a security guard, a maintenance and janitorial worker or a delivery driver, that individual must receive at least a 5% share of the net-income based equity generated by the business collective subsequent to that tenth individual officially joining the business collective. That newly hired individual may play all three of the roles for that 5% if deemed prudent by the majority equity share vote of current owner-operators in the business collective, or one or more current members of the business collective may take on all or some of those responsibilities with or without the determination of receiving a greater share of the equity in the business collective by majority share vote, but contracting with a company or signing an independent contractor agreement to service any or all of those responsibilities is strictly prohibited, as to do so would directly undermine the zero exploitation policy of the *Zero Exploitation Foundation* and negate the entire purpose of the business collective construct.
* The highest energy efficiency and water conservation efforts are to be put in place and maintained, including solar panels covering every southern facing roof exposure, grey water systems, gutter and drainage systems leading to underground water catch basins, the highest efficiency lighting options, construction materials leading to the least energy loss (windows, insulation, wall construction), electric or hybrid company vehicles etc.
* Local and morally sound business partners whenever possible