

OWNING THE WORK · CHAPTER SIX

Four Houses That Kept Their Purpose

Chapter Six of Owning the Work

Ammanuel Santa Anna

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Chapter Six of Owning the Work. The whole book, with every chapter, is at business.hautelumiere.life/library/owning-the-work (DOI https://doi.org/10.5281/zenodo.23988988).

A NOTE BEFORE YOU READ

This work is offered for education and leadership development. It is not legal, financial, accounting, investment, medical or psychological advice; take the advice of a qualified professional who knows your circumstances. Companies and events are described from the public record as the author understands it; characterisations are the author's analysis. Examples are illustrative, and no particular outcome is promised to any reader.

ABSTRACT

Every arrangement described so far in this book can be undone. A profit share can be cancelled in a bad year. An ESOP can sell the company. A cooperative can vote to convert. A founder's generosity ends with the founder. Chapter 12 calls this the question of permanence, and it is the one question that every owner answers, whether by design or by default, on the day they stop. This chapter tells the stories of four enterprises whose owners answered it in law. Three are old and one is recent. None of them is, in the strict sense, employee-owned in the way an ESOP or a cooperative is: two of them give their employees no shares at all. They belong in this book because they show what the other forms leave open, and because Ammanuel Santa Anna's Ecstatic Economics names them as its examples of steward ownership, which it calls "the most structurally radical innovation" in its toolkit.

CHAPTER SIX

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A question every owner answers

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His book defines the family by two principles. Voting rights "are held by people actively involved in the company," and profits "are reinvested in the mission or distributed to stakeholders in service of the mission — not extracted by external shareholders." The first principle answers the question of who decides. The second answers the question of where the gain goes. Together they answer the question of time, because a company whose control cannot be bought cannot be sold out from under the people who depend on it.

The book's claim for these structures is about the felt sense of the people inside them: "Steward ownership removes this anxiety at the structural level." The anxiety is the one Chapter 4 described, the scan for threats from the organisation that begins whenever a firm could change hands overnight. Whether the structures relieve it is not something any study in this book has measured. What can be done is to tell the four stories accurately, from the enterprises' own records, and let a reader judge what each shows.

The dates and proportions below were checked against the enterprises' published histories and reports, read on 19 October 2026, and the notes give each source. Where a detail is the book's and could not be checked, the chapter says so.

Jena, 1889: the foundation as owner

Carl Zeiss opened a workshop for precision mechanics and optics in Jena in 1846. The firm's lasting distinction came from a partnership with a physicist, Ernst Abbe, who put the making of microscope lenses on a scientific footing. After Zeiss's death, Abbe faced the question this chapter is about.

His answer, on 19 May 1889, was to establish a foundation and name it after his late partner: the Carl-Zeiss-Stiftung. It was approved as a legal entity by the Grand Duchy of Saxe-Weimar-Eisenach two days later. In 1891 Abbe made the foundation the sole owner of the Zeiss works and a partner in the Schott glassworks, which the foundation came to own outright in 1919 when Otto Schott transferred his own share. In 1896 Abbe gave the foundation a statute setting out how the businesses were to be run and how their profits were to be used.

The structure is worth reading slowly, because it is the oldest working answer in this chapter to the problem of permanence. The foundation owns the companies. No outside shareholder can buy control of them, because the shares are not for sale. Profits serve the purposes written in the statute: the health of the enterprises, the welfare of those who work in them, and the support of science. A founder who wanted the enterprise to outlast him did not leave it to heirs, sell it to the highest bidder or float it on an exchange. He gave it to a purpose and wrote the purpose down.

Abbe's statute is also remembered for provisions on working conditions that were unusual for its time. Those details are widely reported in histories of the firm; they were not individually checked for this book, and so they are not listed here.

What the Zeiss story shows is that the separation of control from extraction is not a recent invention or a fashion. It is more than a century old, and it has carried an enterprise through two world wars, the division of Germany and the reunification of its two halves. What it does not show is anything about employees as owners. The people of Zeiss did not, under Abbe's statute, hold the enterprise. A purpose did. That difference is the one this chapter keeps returning to.

London, 1929: the partners

The John Lewis Partnership is the clearest case in Britain of a large enterprise held in trust for the people who work in it, and its story turns on one man's decision and the twenty-one years it took him to complete it.

John Spedan Lewis was the son of the founder of a London department store. In the years before and after the First World War he came to the view that the distribution of profit between his family and the store's staff was unjust, and he set about changing it. On 18 April 1929 he signed the First Trust Settlement, which transferred his shares in John Lewis, the Peter Jones store and the Odney Estate to trustees for the benefit of the staff. A few days later the John Lewis Partnership Limited was registered as a company to carry the

arrangement. In return, Spedan Lewis received interest-free bonds totalling one million pounds, to be repaid out of profits over thirty years.

The first settlement left him in control. The Second Trust Settlement, signed on 26 April 1950, transferred his remaining shares to the trustees. For the first time the trustees were elected democratically by the Partners, as the staff are called, rather than chosen by the founder.

Three features of this story bear directly on the evidence in this book.

The sale was financed by the enterprise itself. Spedan Lewis did not give his shares away for nothing. He was repaid, without interest, from the profits of the business over thirty years. That is, in outline, the same move Louis Kelso would make in California in 1956 and that the British employee ownership trust formalised in 2014: the firm's future earnings pay the founder, and the people who produce those earnings come to own what they produce. The idea of a founder being paid fairly while the enterprise passes to its people is not a modern device. It is at least as old as this.

The control passed in stages. Twenty-one years separate the two settlements. The founder kept control while the institutions of partnership were built, and gave it up when they could carry it. Chapter 8 recommends the same order for a firm today: information first, voice second, the share third, and permanence last, because a structure meant to last should encode a relationship that already works.

The trustees became elected. In 1950 the people who held the enterprise in trust came to be chosen by the Partners. That is the voice that Chapter 3 found ownership needs, written into the constitution of the owning body itself.

The John Lewis Partnership has had hard years, as any retailer has, and a reader should not take its structure as a promise that the business will prosper. The structure answers who owns and who decides. It does not answer whether customers will come.

Stuttgart, 1964: the trust that votes

Robert Bosch founded his workshop for precision mechanics and electrical engineering in Stuttgart in 1886. It became one of the largest engineering enterprises in the world. Its ownership today is the most finely divided of the four in this chapter, and the division is the point.

Bosch set up a company called Vermögensverwaltung Bosch in 1921 and directed in his will that, within thirty years of his death, its managers should decide whether his shares in Robert Bosch GmbH should pass into it. He died in 1942. On 26 June 1964 the family transferred the majority of its shares to that company, which in 1969 took the name Robert Bosch Stiftung.

According to Bosch's own corporate profile for 2025 and 2026, about ninety-four percent of the share capital of Robert Bosch GmbH is now held by the Robert Bosch Stiftung, a company with a charitable purpose.

About five percent is held by a company of the Bosch family and about one percent by Robert Bosch GmbH itself. The voting rights are arranged differently. The foundation's votes are exercised not by the foundation but by a separate entity, Robert Bosch Industrietreuhand KG, which holds about ninety-three percent of the voting rights while owning a negligible share of the capital. The family holds the remaining votes, about seven percent.

The figures have moved over time: a profile from 2019 gives the foundation about ninety-two percent of the shares, and sources differ by a point or two depending on the year. The structure has not moved. Ownership of the economic value and control of the votes are held by different bodies, on purpose. The foundation receives dividends and spends them on its charitable work. The trust company, whose members are drawn from people with knowledge of the business, exercises the votes. Neither can be bought.

The Bosch case adds a refinement to the Zeiss model. At Zeiss, one foundation owns and controls. At Bosch, the right to the gain and the right to decide are separated, so that the body that receives the money is not the body that steers the firm. Santa Anna's book names the first principle of steward ownership as "self-governance," voting rights held by people involved in the company. The Bosch structure is one careful answer to what that can mean in a firm of hundreds of thousands of people.

As at Zeiss, the employees of Bosch are not its owners. The steward is a trust and a foundation, not the workforce. A reader who came to this chapter looking for employee ownership will find, at Bosch, something adjacent to it: a firm protected from sale, whose gains go to a purpose, and whose people work inside that protection without holding it.

Ventura, 2022: the trust and the collective

The most recent of the four cases is the one most readers will have heard of, and the one Santa Anna's book calls "the most high-profile example."

On 14 September 2022 Patagonia, the outdoor clothing company founded by Yvon Chouinard, announced that the Chouinard family had transferred its ownership. The company's voting stock, about two percent of the whole, went to a newly created Patagonia Purpose Trust, whose job is to protect the company's values and the way it is run. The non-voting stock, about ninety-eight percent, went to a nonprofit called the Holdfast Collective, which receives the profits not reinvested in the business and uses them for work on the environmental crisis. The announcement was headed with a sentence of Chouinard's that has since travelled widely: "Earth is now our only shareholder."

Santa Anna's book describes the structure's effect in one line: "The purpose is permanently encoded in the ownership structure." His book gives figures for the company's value at the time, about three billion dollars, and its annual profits, about one hundred million dollars; the company's own announcement estim-

ated the annual payout to the collective at around one hundred million dollars, depending on the health of the business. Neither figure is audited here, and both should be read as approximate and of their moment.

The Patagonia structure is the clearest modern illustration of the Bosch division: a small block of voting stock held by a body charged with purpose, and a large block of economic value held by a body charged with spending it on that purpose. It is also, like Zeiss and Bosch, not employee ownership. The people who make and sell Patagonia's clothing do not hold the voting stock or the non-voting stock. They work for a company whose control has been placed beyond the reach of a buyer.

What the four have in common

Read together, the four cases share a shape, and it is worth stating plainly because it is easy to blur.

Each separates control from extraction. In every case, the right to steer the enterprise and the right to take money out of it have been arranged so that no outside party can acquire the first in order to maximise the second. That is the core of steward ownership as Santa Anna's book defines it.

Each was made by a founder or a founding family. None of these structures was imposed by law, demanded by workers or designed by a board. Each was a decision by the people who held the enterprise to give up the right to sell it. That is both their strength and their limit. It means the structures exist only where an owner chose them.

Each took time. Zeiss: from 1889 to 1919 before the foundation held both enterprises outright. John Lewis: twenty-one years between the two settlements. Bosch: twenty-two years between the founder's death and the transfer. Patagonia: half a century of the company's life before the family gave it away. Permanence was the last thing built, not the first.

Only one of the four is held by its workers. The John Lewis Partnership holds its business in trust for its Partners, who elect the trustees. The other three are held by foundations or trusts whose beneficiaries are a purpose, not a workforce. That difference matters for this book. The research in Chapters 2 and 5 concerns ownership by employees; it does not measure steward ownership, and the claims made for steward ownership rest on cases like these rather than on large samples.

What the cases cannot show

A chapter of cases owes the reader an honest account of what cases can and cannot prove.

They cannot show that steward ownership causes success. These four enterprises are among the best-known in the world, and they are known partly because they survived. Enterprises that adopted similar structures and failed are less likely to be written about. That is survivorship, and it is the oldest trap in the study of business.

They cannot show that the structures work the same way in every country. Each sits inside its own body of law: German foundation law, the English law of trusts, the corporate law of the American states. Chapter 5 names the British employee ownership trust and the American ESOP as the common modern routes, and they differ from these older structures in important ways.

They cannot show what employees feel. The book's claim that steward ownership relieves the anxiety of a possible sale is plausible, and the cases are consistent with it, but no source cited here has measured it.

What the cases can show is that the problem of permanence has been solved, more than once, by people who wanted their enterprises to outlast them and their purposes to outlast their own judgement. They show that a founder can be repaid while the enterprise passes on, as Spedan Lewis was. They show that ownership of value and control of votes can be held apart, as at Bosch and Patagonia. And they show that the solution can carry an enterprise for more than a century, as at Zeiss.

The lesson for a firm that is not Bosch

Most readers do not lead an enterprise of global size, and none of these four structures can be copied from a book. The lesson they offer to an ordinary firm is not a structure. It is a set of questions, and they belong in the conversation about succession long before any adviser is hired.

What do we want to survive us? The Zeiss statute and the Patagonia trust both began by writing a purpose down. A firm that cannot say in a paragraph what it wants to outlast its present owners is not yet ready to protect it.

Who should hold the vote, and who should hold the gain? Bosch and Patagonia separate the two. An employee-owned firm usually joins them. There are reasons for each, and the choice should be made deliberately.

How will the founder be paid? Spedan Lewis was repaid from profits over thirty years. Kelso's plan borrowed and repaid from earnings. The British trust is financed in a similar way. A founder who expects to be paid fairly and a workforce that expects to inherit a viable firm need the same thing: a schedule the business can carry.

How long will we take? None of these structures was built in a quarter. A firm that hopes to make its purpose permanent should expect the work to take years, and should build the relationship before it builds the trust.

Santa Anna's book describes what the alternative feels like to those inside a firm that is sold to distant owners: "The ground beneath their economic life has shifted from a relationship to a transaction." It then states the claim for the structures in this chapter: "Steward ownership provides structural reassurance that this shift cannot happen." The four cases are the evidence that such reassurance can be built. Whether a

given firm should build it, and in which form, is a decision for its owners, made with advisers and, ideally, with the people whose working lives depend on it.

The lineage's volume on patient capital (*The Long Clock*) takes up Colin Mayer's work on corporate purpose, which is the scholarly frame for much of this chapter. Chapter 12 returns to the question of permanence and places it beside the commons, voice and the gift.

The Tool: The Permanence Questions

For owners and boards. Complete it in writing, before any adviser is engaged, and keep it with the succession file. It does not choose a structure. It records what any structure would have to protect.

1 · The purpose

- In one paragraph, what do we want this enterprise to go on doing after the present owners have gone? _____
- Three things a buyer could change that we would not want changed: 1 __ 2 _ 3 ___

2 · The vote and the gain

- Who should decide the strategy of this firm in twenty years (employees · a trust or foundation · a family · outside investors · a blend)? _____
- Who should receive its profits (employees · a purpose · a family · investors · a blend)? _____
- Should these be the same people? yes · no · why: _____

3 · The payment

- What would the present owners need to receive, and over how many years? _____ (estimate; take valuation advice)
- Could the business carry that from its earnings without starving its investment? yes · no · unknown

4 · The time

- Months of open numbers and shared profit we have behind us now: _____
- Year by which we would want a permanent structure in place: _____
- The relationship we need to build first, in a sentence: _____

5 · The routes to discuss with advisers

- Employee stock ownership plan (US) · employee ownership trust (UK) · cooperative conversion · foundation or purpose trust · other: _____
- Advisers we will ask, and by when: _____

6 · What it will not do

- For the route we prefer, write one thing it leaves unprotected: _____

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