









Platform Cooperatives: A Model
Business Structure
July 19, 2017

Introduction

- President | Attorney, Jason Wiener | p.c., a Public Benefit Corporation
- Co-Founder of Colorado Cooperative Developers
- Boutique cooperative and social/environmental enterprise law practice, cooperative development and business consultancy
- Focused on fostering a regenerative and sustainable economy through socially responsible, and democratic ownership and capitalization
- Outside general counsel for all types of business enterprises, many industries
- Specialize in cooperatives, PBC's, social enterprise, democratized capital and financing strategies
- B-Corp Certified and Public Benefit Corporation

Agenda

-  Multi-stakeholder platform coop
-  Finance
-  Trends
-  Challenges
-  Bright Spots
-  Q&A + Discussion

Platform Coops -- Investors

📄 **“As a shareholder in some of these businesses, I am hopeful that they’ll all be successful,” Mr. Shapiro said. “But models that reward the members who are generating value will ultimately win.”**

📄 Craig Shapiro, founder and managing partner at Collaborative Fund, a venture firm based in New York that has invested in on-demand platforms including TaskRabbit and Lyft.

📄 Source: A New Wrinkle in the Gig Economy: Workers Get Most of the Money, Amy Cortese, New York Times, July 20, 2016.

Platform Coop Structures

 Entity Choice

 Ownership structure

 Tax structure

 Economics & Finance

 Governance

Platform Coop Elements

- 📱 An online marketplace usually accessed via smartphone;
- 📱 Made successful via the “network effect” (e.g. decentralized across + critical mass);
- 📱 Connecting content/labor providers and users;
- 📱 Access to and leveraging unconventional capital with limited to no exit or liquidity; and
- 📱 Utilizing intellectual property assets, often pursuant to open source or Creative Commons licensing.**

A Word about I.P.

- 📊 Intellectual Property is trad'lly VC financed
- 📊 Race to market to meet product-market-consumer fit
- 📊 Data monetization is key
- 📊 I.P. extracted for maximal liquidity value (transactional) vs “use” value

A Word about I.P.

- 🏠 Platform Coops can be under-leveraged to develop I.P.
- 🏠 Volunteerism
- 🏠 Democratic decision-making – L.C.D.
- 🏠 Prioritize closed loop design
- 🏠 Mission/solidarity ≠ user-centric design
- 🏠 Slow development timeline
- 🏠 Lack of seed capital

A Word about I.P.

- 🏠 New models necessary:
- 🏠 Non-profit as I.P. vessel
- 🏠 Trad'lly financed/owned I.P. Hold Co. with exclusive license to Coop
- 🏠 Hold Co – Coop license needs “teeth”
- 🏠 Golden Share // Poison pills in Hold Co.

Trends

- 🏠 Non-liquidity based financing terms
- 🏠 Limited Cooperative Association form
- 🏠 Creative Hold-Co // Op Co structures
- 🏠 Golden Share // trust-ownership models
- 🏠 Benefit corporation + B-Corp certification

Trends

 Land Access

 Divest – Invest - Slow Money

 Investment Clubs

 Veteran Farmer – New Farmer
transition (“Silver Tsunami”)

 Coop Capital - CDFIs

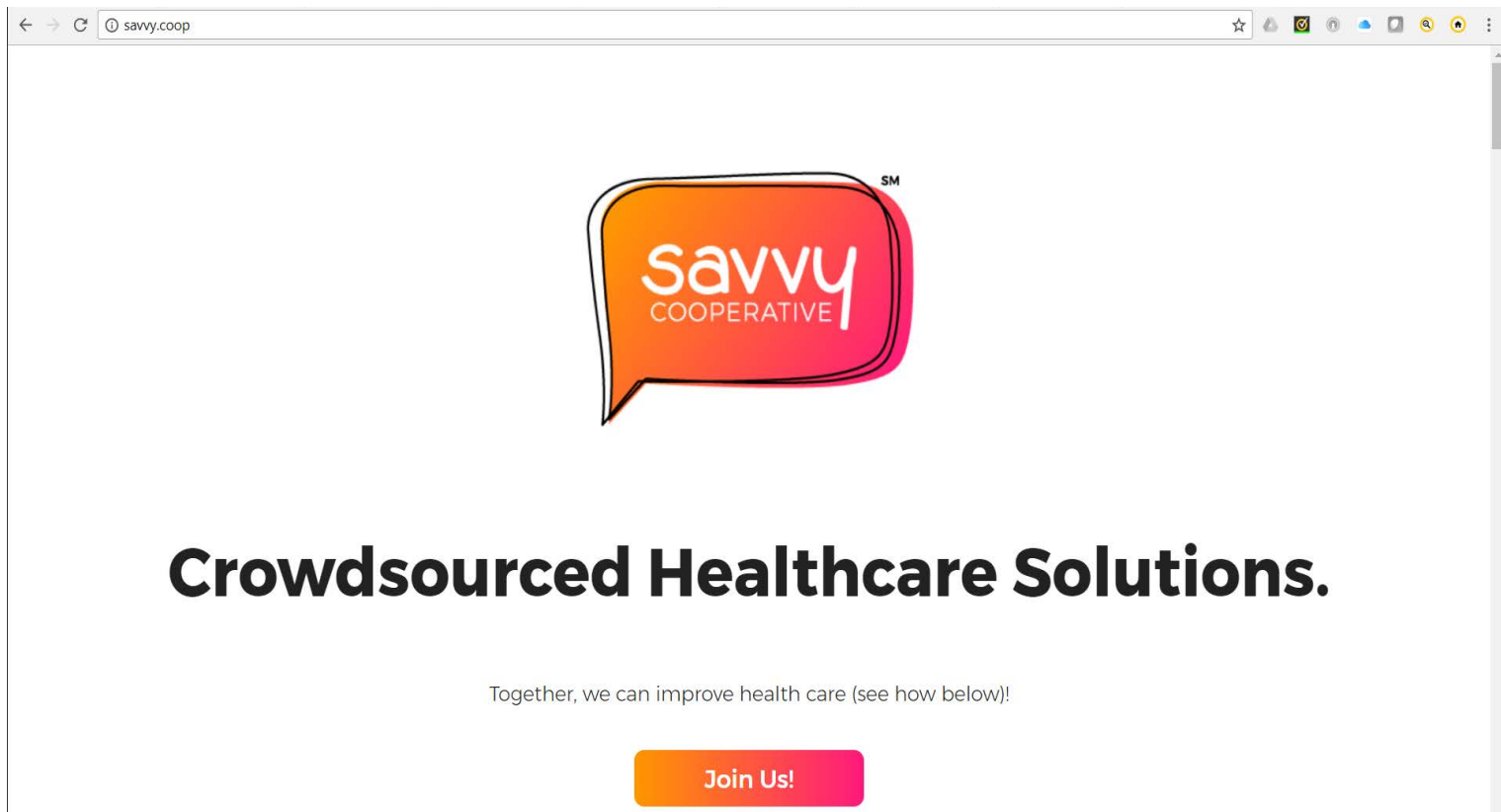
Trends

- 🏠 Freelance or Gig Economy – group purchasing
- 🏠 Hyper monopolization – Whole Foods - Amazon
- 🏠 Farmland transition
- 🏠 Farm businesses succession
- 🏠 Consumer access and food regulations
- 🏠 “Community Private Equity”
- 🏠 Community Supported Ag PLUS

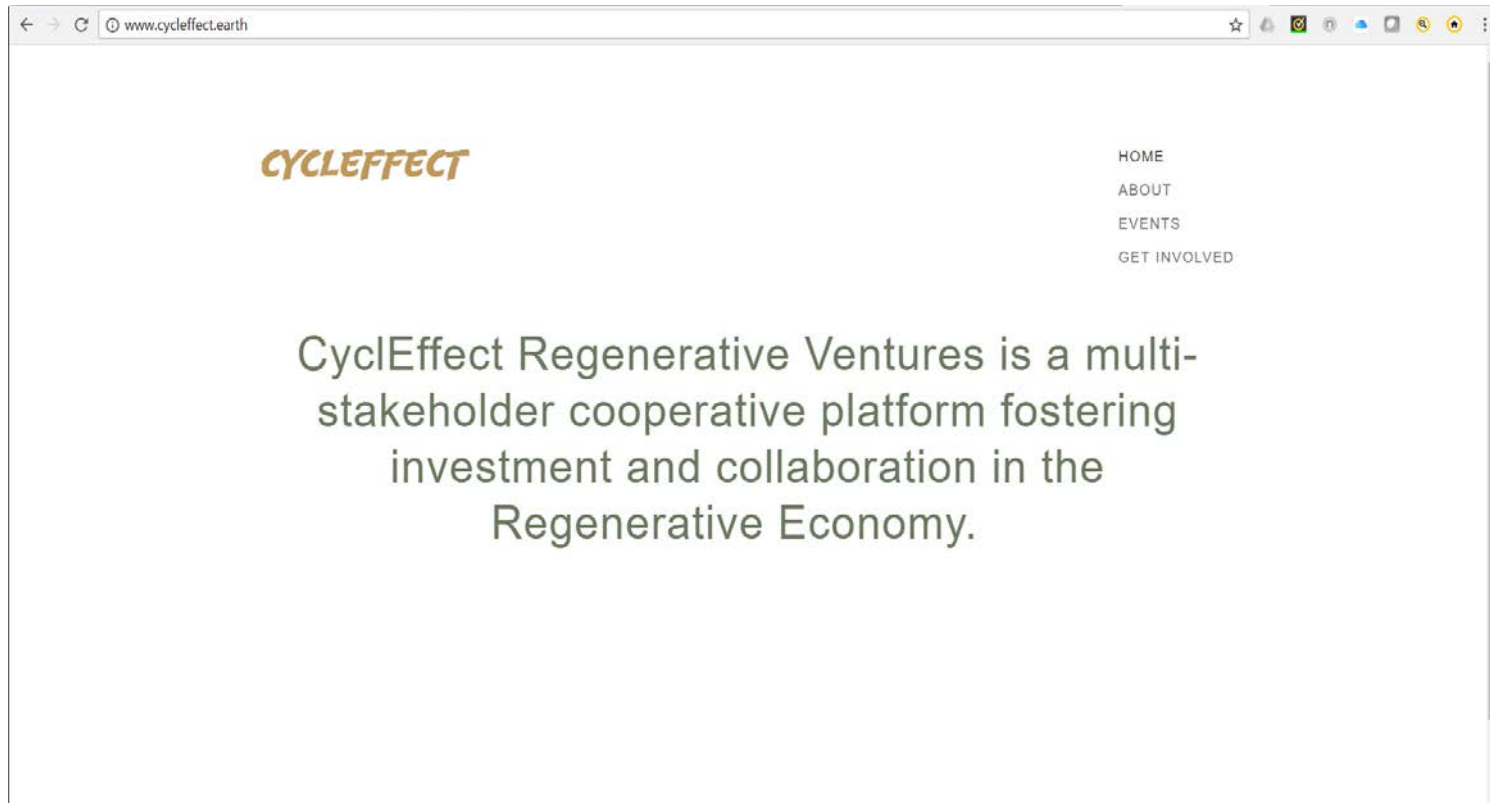
Challenges

- 🏠 Leaders
- 🏠 “Cooperative” experience
- 🏠 Deal flow > access to capital
- 🏠 Standard coop structures
- 🏠 Cooperative development resources

Bright Spots



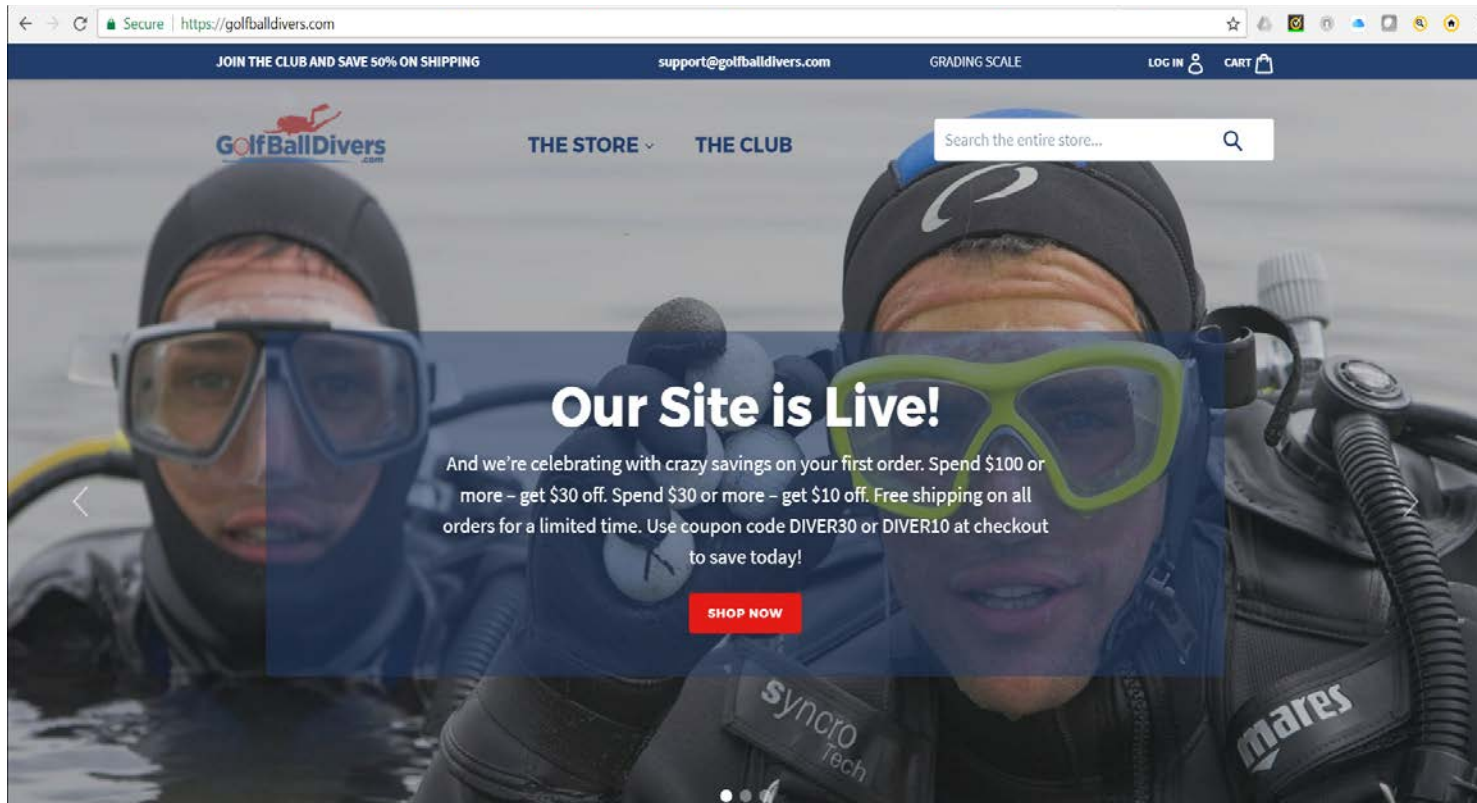
Bright Spots



Bright Spots

- 🏠 Land access – Poudre Valley
Community Farms
- 🏠 Value add start-up – Mountain Flower
Dairy Cooperative
- 🏠 Conversions!
- 🏠 Cooperative development: CCD,
RMEOC, RMFU, CWB

Bright Spots



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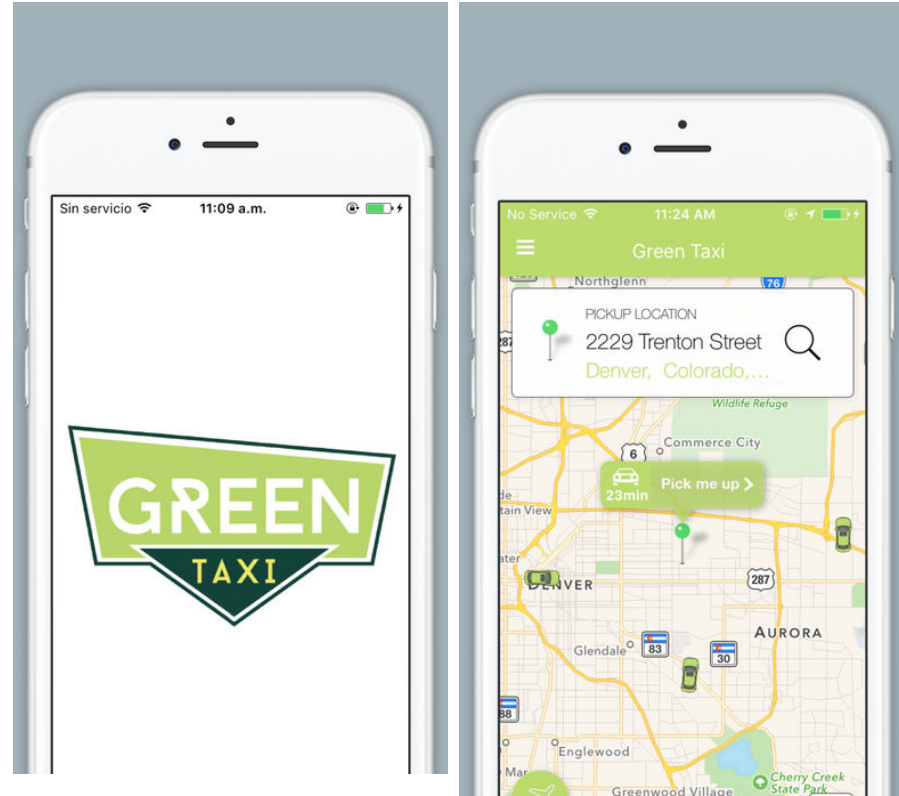
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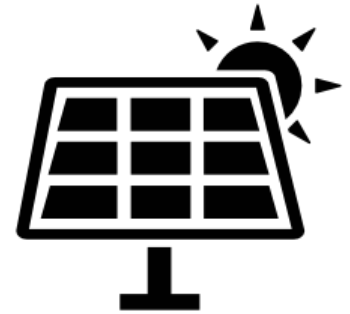


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"The fight is never about grapes or
lettuce.
It is always about people."

-Cesar Chavez



THANK YOU

720.445.6860 | jason@jrwiener.com | www.jrwiener.com