WhatIfWe

Hybrid Structure: Case Studies

Foundation / For-Profit Models in Mission-Driven Organisations — Precedents, Lessons, and Relevance to WhatIfWe

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This document examines six real-world organisations that have used a hybrid entity structure — a non-profit or foundation paired with a for-profit company — to pursue missions that required both philanthropic legitimacy and commercial infrastructure. Each case study is analysed for structural design, what worked, what failed or required correction, and what it implies for the proposed WhatIfWe structure. The document concludes with a synthesis of lessons and a recommended design checklist.

Case studies in this document

01

Mozilla Foundation + Mozilla Corporation

Open-source internet infrastructure — the foundational hybrid precedent

What they built and why they split it

Mozilla began as an open-source project spun out of Netscape in 1998. By 2003, the organisation faced a structural problem that will be immediately familiar to WhatIfWe: it had a clear public-interest mission (an open, interoperable internet) and a product (the Firefox browser) that required significant commercial infrastructure to compete against well-funded proprietary alternatives. A single entity could not credibly hold both the mission and the commercial operation.

The solution, implemented in 2005, was to create the Mozilla Corporation as a wholly-owned taxable subsidiary of the Mozilla Foundation. The Foundation holds the mission and the brand. The Corporation operates Firefox, manages the Google search partnership (which generates the majority of revenue), employs most of the technical staff, and pursues commercial partnerships. All profits flow back to the Foundation.

> *The Foundation sets the mission. The Corporation executes it commercially. The structural separation is not a legal convenience — it is what makes it possible to accept commercial revenue without compromising the mission that earns it.*

Structure in detail

Mozilla Foundation	US 501(c)(3) non-profit	Owns 100% of the Corporation. Sets mission, brand, and values. Receives all Corporation profits as distributions. Funds advocacy, research, and internet health work through grants.
Mozilla Corporation	US LLC (taxable)	Operates Firefox and other products. Manages the Google default search agreement (~$400–500M/year at peak). Employs ~750 staff. Pays taxes. Distributes profits to Foundation.
Relationship	Wholly-owned subsidiary	Foundation has full governance control. Corporation cannot be sold or redirected without Foundation approval. Mission protection is structural, not contractual.

What worked

The structure successfully protected Mozilla's ability to be critical of the same companies it had commercial relationships with. Mozilla Foundation has published reports critical of Google's data practices while the Corporation maintained its search deal. This would have been structurally impossible if the mission and the commercial operation were the same entity. The Foundation's independence is credible precisely because it is structural, not just stated policy.

What required correction

By the mid-2010s, critics noted that the Corporation's commercial success had created a compensation and culture gap between the two entities that was beginning to erode mission coherence. Senior Foundation staff were paid significantly less than Corporation equivalents. The Foundation's advocacy work was increasingly seen as secondary to the Corporation's product priorities. Mozilla has since made structural adjustments, including increasing Foundation governance involvement in Corporation strategy.

> KEY RISK IDENTIFIED
>
> When the for-profit subsidiary becomes significantly larger and better-resourced than the mission-holding foundation, the direction of influence can reverse. The foundation begins to follow the company's priorities rather than setting them. This is the mission-drift risk that WhatIfWe's structure must explicitly guard against.

Relevance to WhatIfWe

Foundation holds mission	Direct precedent: WhatIfWe Foundation would hold the encounter design, quality criteria, and content — the mission assets that must not be commercially redirectable.
Company holds commercial infrastructure	WhatIfWe Technologies would own the platform and AI models — the infrastructure that requires commercial-style investment and EIC/Horizon funding.
Mission-drift risk	WhatIfWe must ensure the Foundation retains genuine governance authority over Technologies from inception — not as a formality, but as a structural reality with teeth.
Revenue model difference	Mozilla's revenue came from the Corporation to the Foundation. WhatIfWe's primary revenue flow may be grants to the Foundation, with Technologies funded separately. This is a healthier independence structure.

Lessons for WhatIfWe

Structural control	Ensure the Foundation has real governance authority over Technologies — board representation, veto rights on mission-affecting decisions, or (ideally) majority ownership.
Compensation parity	Design compensation structures that do not create a two-tier culture between the Foundation and Technologies from the start.
Mission assets stay in Foundation	The encounter data, the quality criteria, the guest relationships — these are the Foundation's assets. Document this in founding documents, not just policy.

02

Wikimedia Foundation + Wikimedia LLC

Knowledge commons at global scale — mission purity under commercial pressure

The structure and its evolution

The Wikimedia Foundation (WMF), incorporated in Florida in 2003, operates Wikipedia and a family of knowledge projects as a 501(c)(3) non-profit. For most of its history, Wikimedia operated as a single entity: the Foundation held the mission, the brand, the servers, and the community relationships. Commercial activity — primarily the licensing of Wikipedia content to businesses — was handled through informal arrangements.

In 2019, Wikimedia created Wikimedia Enterprise (initially Wikimedia LLC) as a separate commercial entity to formalise its relationships with large commercial users — Google, Amazon, Apple, and others — who use Wikipedia data at scale. The Enterprise entity charges these commercial users for premium API access and structured data feeds, with revenue flowing back to the Foundation.

Why the split happened when it did

The trigger was a recognition that major technology companies were extracting significant commercial value from Wikipedia without contributing to its sustainability. The Foundation could not charge them directly without risking its non-profit status and community trust. A separate commercial entity could. The structural separation allowed Wikimedia to commercialise at the edges without compromising the mission at the core.

> *The knowledge is free. The infrastructure that delivers it at commercial scale is not. Wikimedia Enterprise charges for the latter without touching the former.*

What worked

The structure successfully maintained community trust — the volunteer editor community that produces Wikipedia's content remained confident that commercialisation would not compromise editorial independence. Wikimedia Enterprise revenue has grown significantly since launch, providing a diversified funding base beyond the annual fundraising campaigns.

What required correction

The initial framing of the commercial entity was handled poorly in community communications, creating significant concern among editors and advocates who feared it represented a creeping commercialisation of the mission. Wikimedia had to invest considerable effort in explaining the structural separation and why it protected rather than threatened the mission. The lesson: the community needs to understand the structure before it is announced, not after.

Relevance to WhatIfWe

Data as the commons	Wikipedia's content is the commons; the commercial entity monetises access infrastructure. For WhatIfWe, the encounter data is the commons (Foundation-owned); Technologies monetises the platform infrastructure.
Community trust	The participants in WhatIfWe's encounters — the guests and Lab participants — are analogous to Wikipedia's volunteer editor community. Their trust in the mission must be protected by structural design, not just assurances.
Commercial users	Wikimedia Enterprise charges large commercial users for what they already take for free. WhatIfWe Technologies could eventually license the encounter platform to other collective intelligence applications — a parallel model.
Timing of communication	Introduce the structure to key stakeholders (initial funders, first guests) before it is formalised, not after. The structure should be a transparency signal, not a surprise.

Lessons for WhatIfWe

Explain before announcing	Brief initial funders and first guests on the proposed structure before incorporation. Their endorsement of the model is a credibility asset.
Commons vs. infrastructure	Be explicit in all documents: the encounter data is a commons held by the Foundation. The platform is infrastructure built by Technologies. This distinction must be crystal clear.

03

Creative Commons

Licensing infrastructure for cultural commons — a lean hybrid model

Structure and mission

Creative Commons (CC) operates as a US 501(c)(3) non-profit that develops and stewards open copyright licences used by over 2 billion works globally. CC's model is instructive for WhatIfWe not because of a Foundation/for-profit split — CC has remained primarily a single non-profit entity — but because of how it has managed the tension between its mission (maximising free cultural exchange) and the infrastructure costs of sustaining a global commons.

CC's most relevant structural feature for WhatIfWe is its Global Network: a federated structure of national chapters and affiliates who implement CC's mission in local contexts, supported by the central organisation's infrastructure. Each chapter is legally independent but mission-aligned, using shared infrastructure (licences, brand, legal templates) provided by the central entity.

> *Creative Commons does not own the works its licences protect. It owns the infrastructure — the legal and technical framework — that makes the commons possible. This is the correct model for thinking about what WhatIfWe Technologies would own.*

The platform licence as infrastructure

CC's licences are free to use but cost significant resources to maintain: legal expertise across jurisdictions, technical infrastructure for licence verification, and a global network of advocates. CC has historically funded this infrastructure through grants and donations, with occasional earned revenue from consulting and training. The tension between funding the infrastructure and keeping the mission assets free is permanent and unresolved — CC has never fully solved it.

This is the exact tension the WhatIfWe hybrid structure is designed to address. The Foundation holds the mission assets (the encounter, the content, the community). Technologies holds the infrastructure (the platform, the AI, the technical architecture) and can fund it through commercial means without compromising the mission assets.

Relevance to WhatIfWe

Infrastructure vs. commons	CC's insight: the infrastructure that enables a commons is not itself the commons. WhatIfWe Technologies builds and owns the infrastructure; WhatIfWe Foundation holds the commons.

Federated model	CC's chapter structure is a precedent for WhatIfWe's longer-term vision of multiple encounter groups in different contexts, using shared infrastructure but governed locally.
Funding tension	CC's funding struggle is a warning: if the Foundation cannot fund itself independently of the company, mission drift becomes inevitable. WhatIfWe Foundation needs its own funding base from day one.

Lessons for WhatIfWe

Foundation funding independence	The Foundation must have its own revenue stream — Phase 0 grant funding — from the outset. It should not be financially dependent on Technologies.
Infrastructure ≠ commons	Use CC's language in funder communications: WhatIfWe Technologies builds the infrastructure that makes the encounter commons possible. The commons itself is free and held by the Foundation.

04

Plurality / vTaiwan + PDIS

Computational democracy — the closest intellectual precedent to WhatIfWe

Why this case matters most

The vTaiwan and Plurality ecosystem — associated with Audrey Tang, Glen Weyl, and the broader computational democracy movement — is the closest intellectual and structural precedent to WhatIfWe. Like WhatIfWe, it operates at the intersection of technology infrastructure and genuine collective intelligence. Like WhatIfWe, it involves a mission-holding public entity (Taiwan's PDIS — Public Digital Innovation Space, which Tang led as Digital Minister) and a set of civil society and commercial entities building the technical infrastructure (g0v, the Plurality Institute, RadicalxChange).

The Plurality ecosystem is not a single hybrid entity — it is a network of aligned organisations, each holding different parts of the mission. This distributed structure is more complex than the WhatIfWe proposal but illustrates the same fundamental insight: the mission (democratic collective intelligence) and the infrastructure (digital platforms for deliberation) require different governance structures.

> *Audrey Tang's role bridged the public mission-holder (PDIS) and the technical infrastructure builders (g0v, vTaiwan) through personal trust and shared values — not through formal governance structures. This worked in Taiwan's specific context. It is not a replicable model without that context.*

The structural lesson: personal trust is not a governance structure

The Plurality ecosystem's primary structural vulnerability is its dependence on the personal relationships and reputational authority of its founding figures. When Tang left the government in 2024, the institutional anchor that gave PDIS its authority and resources was removed. The ecosystem continues, but the structural clarity that came from Tang's position no longer exists.

This is a direct lesson for WhatIfWe. The project's initial coherence will depend heavily on Hector's personal relationships and intellectual authority. This is appropriate and unavoidable in Phase 0. But the governance structure must be designed so that the mission does not depend on those relationships to remain intact as the project scales.

The Polis platform as infrastructure model

Polis — the deliberation platform used in vTaiwan — is open source and maintained by the Computational Democracy Project, a US non-profit. The platform is free to use; the non-profit is funded by grants. This is a clean separation of mission (open deliberation infrastructure) and sustainability (grant funding) — but it has not produced a sustainable commercial model, and the platform's development has been constrained by the limits of grant funding.

WhatIfWe's proposed structure addresses this directly: the for-profit Technologies entity creates the commercial sustainability that pure non-profit infrastructure projects like Polis have struggled to achieve, while the Foundation preserves the mission independence that commercial infrastructure projects lose.

Relevance to WhatIfWe

Intellectual precedent	The Plurality ecosystem is building collective intelligence infrastructure for democratic contexts. WhatIfWe is building it for wisdom traditions. The intellectual mission is adjacent and the guest list overlaps directly (Audrey Tang is a Category F guest).
Governance beyond personal trust	The Plurality ecosystem's structural fragility is a direct warning for WhatIfWe. Formal governance structures are not bureaucracy — they are what survives when the founding relationships change.
Open infrastructure limits	Polis's funding constraints illustrate why pure non-profit infrastructure doesn't scale. WhatIfWe Technologies addresses this directly.
Network as resource	The Plurality ecosystem's primary asset is its network — Tang, Weyl, the g0v community. WhatIfWe's Phase 0 interview programme builds an analogous network asset. It must be held by the Foundation, not the company.

Lessons for WhatIfWe

Governance beyond the founder	Design the Foundation's governance structure to function without Hector's daily involvement from Phase 1. Board composition, decision rights, and succession planning belong in the founding documents.
Network as Foundation asset	The relationships built in Phase 0 — with guests, funders, and partners — are Foundation assets. Document and protect them structurally so they cannot migrate to the company.

05

The Guardian Media Group + Scott Trust

Editorial independence protected by structural ownership — a mission-lock model

The structure

The Guardian is owned by the Scott Trust Limited, a company limited by guarantee (effectively a non-profit structure under UK law). The Scott Trust owns Guardian Media Group (GMG), which operates The Guardian and The Observer newspapers commercially. The Trust's sole purpose, as stated in its governing documents, is to secure the financial and editorial independence of The Guardian in perpetuity.

This structure means The Guardian cannot be sold to a commercial owner, cannot be directed to serve partisan interests, and cannot be shut down by shareholders seeking to extract value. The mission-lock is permanent and structural — not dependent on the values of any individual owner or manager.

> *The Scott Trust does not produce journalism. It protects the conditions under which journalism can be produced honestly. This is the correct model for thinking about what WhatIfWe Foundation would do in relation to WhatIfWe Technologies.*

Mission-lock mechanisms in detail

The Scott Trust's mission-lock works through three mechanisms that are directly relevant to WhatIfWe's proposed structure:

Ownership lock

The Trust owns the operating company. No individual can acquire a controlling stake. No external investor can override the Trust's governance authority.

Purpose clause

The Trust's governing documents state its sole purpose as protecting editorial independence. Any decision that conflicts with this purpose is ultra vires — legally invalid.

Distribution lock

Profits from GMG must be reinvested in journalism or journalism-supporting activities. They cannot be distributed to beneficiaries as in a traditional charity.

What required correction

The Guardian's commercial difficulties — significant losses through the 2010s as print advertising collapsed — tested the structure severely. At several points, the Trust had to draw down its endowment to fund operations. The lesson is that structural mission-lock does not substitute for financial sustainability: a mission entity that is financially dependent on its operating company is structurally vulnerable regardless of how well the mission-lock is designed.

Relevance to WhatIfWe

Purpose clause	WhatIfWe Foundation's founding documents should include an explicit purpose clause: to protect the conditions — the encounter design, quality criteria, data sovereignty, and public distribution — under which planetary intelligence can be produced.
Ownership vs. licensing	The Guardian model (Trust owns the company) is stronger than the WhatIfWe proposed model (Foundation licenses from the company). WhatIfWe should explore whether the Foundation could hold a significant ownership stake in Technologies, not merely a licence.
Financial independence	The Guardian's vulnerability to GMG's commercial performance is a direct warning. WhatIfWe Foundation must build its own grant-funded base in Phase 0, not rely on Technologies for operational support.

Lessons for WhatIfWe

Consider equity not just licence	A perpetual licence from Technologies to Foundation is a minimum. Stronger protection would be a meaningful equity stake — giving the Foundation governance rights in Technologies, not just usage rights.
Purpose clause is non-negotiable	Include an explicit purpose clause in Foundation founding documents that cannot be amended without a supermajority. This is the structural guarantee funders need to see.

06

Patagonia + Holdfast Collective

The most radical recent example — full for-profit assets transferred to mission entity

What happened in 2022

In September 2022, Yvon Chouinard, the founder of Patagonia, transferred full ownership of the company to two new entities: the Patagonia Purpose Trust (which holds 2% of shares but 100% of voting rights) and the Holdfast Collective (a US 501(c)(4) advocacy organisation, which holds 98% of shares but no voting rights). The Purpose Trust controls the company's direction. The Holdfast Collective receives all profits — estimated at ~$100M per year — and deploys them for environmental advocacy.

The structure inverts the typical model: the for-profit company (Patagonia) generates the revenue; the mission entities hold and deploy it. Chouinard's stated reasoning was that "Earth is now our only shareholder." The move was structured to avoid immediate tax liability while ensuring all future profits serve the mission.

> *"Instead of going public, Yvon Chouinard has transferred the ownership of Patagonia, a $3 billion company, to a trust and a nonprofit dedicated to combating climate change and protecting undeveloped land around the globe." — New York Times, 2022*

Why this is the most radical precedent

The Patagonia move represents the logical endpoint of the Foundation/For-Profit model: the commercial entity does not merely support the mission entity — it is owned by it and exists solely to fund it. Every dollar of profit Patagonia generates goes to environmental advocacy. The company's commercial success is the mission's funding.

This is not a realistic model for WhatIfWe at inception — it requires a founder willing to give up ownership entirely, and a company valuable enough to generate meaningful mission funding. But it is the direction of travel that the proposed structure should be designed to enable, not foreclose.

The voting rights / economic rights separation

The most technically elegant aspect of the Patagonia structure is the separation of voting rights (held by the Purpose Trust, which controls direction) from economic rights (held by Holdfast, which receives profits). This allows mission control to be completely separated from financial benefit — preventing any entity from having both the incentive and the power to redirect the mission for financial gain.

For WhatIfWe, this suggests a more sophisticated structure than a simple Foundation licence: the Foundation could hold voting rights in Technologies (ensuring mission governance) while Technologies retains economic rights (enabling commercial investment and returns to investors). This is more complex to implement but substantially stronger as a mission-protection mechanism.

Relevance to WhatIfWe

Voting vs. economic rights	The Foundation could hold preferential voting rights in Technologies (protecting mission governance) without holding economic rights (allowing commercial investors). This is the strongest available mission-protection mechanism short of full ownership transfer.
Long-term direction of travel	The proposed WhatIfWe structure (Foundation licenses from Technologies) is appropriate for Phase 0–1. As the project scales, the relationship should move toward the Foundation having increasing governance rights in Technologies, not decreasing ones.
Commercial success as mission funding	If WhatIfWe Technologies succeeds commercially — licensing the platform to other collective intelligence applications — that success should benefit the Foundation's mission work, not external shareholders. Design the profit-sharing arrangement in founding documents, not later.

Lessons for WhatIfWe

Design for evolution	The Phase 0 structure (Foundation + Technologies with licence) should be explicitly designed to evolve toward greater Foundation governance authority as the project scales. Build this intention into founding documents.
Profit-sharing from day one	Define in Technologies' founding documents what proportion of commercial profits flow to the Foundation. Even a modest percentage (10–20%) establishes the precedent and the expectation.

Cross-Case Lessons and Design Checklist

What the six cases teach, taken together

Six different organisations. Six different missions. Six different structural implementations of the same fundamental insight: that a mission requiring both philanthropic legitimacy and commercial infrastructure cannot be adequately served by a single entity. The cases vary in how they implement the split — from full ownership (Patagonia) to licensing (WhatIfWe's proposal) to federated networks (Plurality) — but the underlying logic is consistent.

The five structural lessons that appear in every case

1. The mission-holding entity must have real governance authority

In every successful case, the mission-holding entity (Foundation, Trust, non-profit) has structural power over the commercial entity — not just stated values or cultural norms. Mozilla's Foundation owns the Corporation. The Scott Trust owns GMG. The Patagonia Purpose Trust holds voting control. Where this governance authority is weak or absent (as in early Wikimedia Enterprise communications), mission drift becomes possible. A licence alone is not sufficient. WhatIfWe Foundation needs governance rights in WhatIfWe Technologies from inception.

2. Financial independence of the mission entity is non-negotiable

Every case where the mission entity became financially dependent on the commercial entity experienced pressure on mission independence — regardless of how strong the structural protections were. The Guardian's experience is the clearest example. WhatIfWe Foundation must build its own grant-funded revenue base in Phase 0. It cannot rely on Technologies for operational support without risking its independence.

3. The split must be explained before it is announced

Wikimedia's experience demonstrates that stakeholders who discover the commercial entity without prior context will assume the worst. In WhatIfWe's case, the stakeholders who matter are the interview guests, initial funders, and early Lab participants. They should understand the structure — and ideally endorse it — before it is formalised.

4. Personal trust is not a governance structure

The Plurality ecosystem's structural fragility after Tang's departure illustrates a risk that every mission-driven project faces: the founder's personal authority is not transferable. WhatIfWe's governance structures must be designed to function without Hector's daily authority from Phase 1. This is not a distant concern — it should be in the founding documents.

5. Design for the direction of travel, not just the current phase

The most robust structures (Patagonia, Scott Trust) were designed with a long-term vision of the relationship between the mission and commercial entities. The weakest structures (early Creative Commons commercial arrangements) were designed for immediate needs and required significant revision. WhatIfWe's founding documents should explicitly describe the intended evolution of the Foundation's relationship to Technologies as the project scales.

Design checklist for the WhatIfWe proposed structure

✓	**Foundation governance authority**	Does the Foundation hold voting rights or governance seats in Technologies? A licence alone is insufficient.
✓	**Purpose clause**	Does the Foundation's founding document include an explicit, unamendable purpose clause protecting the encounter design, quality criteria, and data sovereignty?
✓	**Data ownership documented**	Is encounter data ownership explicitly assigned to the Foundation in both entities' founding documents — not just in a data-sharing agreement?
✓	**Financial independence**	Does the Foundation have a funding plan that does not depend on Technologies for operational support through Phase 0?
✓	**Profit-sharing defined**	Do Technologies' founding documents define what proportion of commercial profits flow to the Foundation?
✓	**Stakeholder communication plan**	Have initial funders and first interview guests been briefed on the structure before it is formalised?
✓	**Governance beyond the founder**	Does the Foundation's governance structure function without Hector's daily involvement from Phase 1?
✓	**Evolution pathway**	Do the founding documents describe how the Foundation's governance authority in Technologies should increase as the project scales?

The cases in this document are not just precedents — they are a design vocabulary. Each one solved a version of the same problem WhatIfWe faces: how to hold a mission seriously while building the infrastructure it requires. None solved it perfectly. All solved it well enough to survive. The lesson is not to copy any one structure, but to understand what each one protected and what each one failed to protect — and to design WhatIfWe's structure with that full picture in mind.