

Zingerman's Community of Businesses: Broad-Based Ownership, Governance, and Sustainability

One fall morning in 2012, the Partners Group of Zingerman's Community of Businesses (ZCoB)—an internationally acclaimed set of businesses dedicated to distributing and producing traditionally made, full-flavored foods—met for a quarterly off-site at the Great Oak Co-housing community in Ann Arbor, Michigan. As the partners took their seats, snacking on some of Zingerman's new Hungarian pastries, the meeting commenced. The group worked its way through each topic on the agenda, arriving at a key discussion for that day—the future ownership and governance of the ZCoB. For the third time, Zingerman's founders Ari Weinzweig and Paul Saginaw re-ignited the idea of broad-based employee ownership and governance of the ZCoB. The concept had failed to generate sufficient support the last two times it was brought to the table, in 2006 and 2009. Weinzweig shared his thoughts with the other partners:

"The metaphor of buying a ticket and entering the game has power. To involve staff members in consensus decision-making, to hear their perspectives, and to have them learn to think about the welfare of the broader ZCoB seems to have more value than risk. We see this as the next step of open book management, and it is living our values. These persons would not be representative of an *employee* perspective but would be thinking and deciding from a *ZCoB* perspective.

"The risk is no different than the risk we all bring to the table—our differences, going rogue, etc.—and the upside could be very high. We have already changed the business world by what and how we do things. This is one more step in that direction. It is not an intentional direction from when we started, nor was the creation of the managing partners model. But the success we have seen and felt supports our faith that we can keep evolving toward our highest values."¹

The 19 individuals who comprised the Partners Group were the two founders, the 16 managing partners of Zingerman's eight independent operating businesses, and Zingerman's vice president of administration. The VP of Administration was not a co-owning partner of an operating business but was the leader of Zingerman's Service Network, a centralized shared services organization that supported the whole ZCoB. This was a unique and talented group of individuals who had passed the thorough process of becoming partners, a process that ensured that each individual stood for what Zingerman's represented—an organization wholeheartedly committed to its values, its community, the self-actualization of its employees, and fantastic food. Reactions from the partners filled the room:²

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