



Generous Minds

NETHERLANDS

“COVESTMENT”

Generous Minds is a collective of like-minded investors, entrepreneurs and consultants with a joint motivation to solve societal problems in an entrepreneurial way by accelerating and magnifying the success of promising social and environmental ventures, i.e. businesses whose product, service and organizational structure directly address social and environmental issues. Generous Minds focuses on start-ups, SMEs and larger companies in ten “Good Business” domains including education, health, recycling, and energy.

Generous Minds’ Covestment Approach

Generous Minds approaches their mission through an integrated model of consulting and investment – called “Covestment”. Structured as a cooperative, Generous Minds draws upon a growing pool of currently 40 Covestors that support social ventures of all stages as consultants. Generous Minds essentially acts as an intermediating vehicle, contracting the Covestors, all owners of the Generous Minds cooperative, on a fixed hourly rate while charging a variable hourly rate to ventures based on previous revenues.

Generous Minds generates a profit by charging different rates, which is fully recycled and fed into an internal capital pool. This capital is used to invest in promising initiatives looking for funding. Given the fact that the capital is generated internally, Generous Minds is very flexible in deploying their assets through a variety of different instruments such as investments, convertibles, donations and loans, among others. Drawing upon a large network of private and institutional capital partners, Generous Minds’ investments are perceived as an accreditation of quality and often matched by co-investments and follow-on funding.

Innovative Legal Setup and Operational Approach

Generous Minds is a collective of Covestors, all of which are co-owners of the Generous Minds cooperative, who combine the power of human capital and money for a better world.

Interestingly, Generous Minds integrated some innovative features in their legal setup and operational approach to ensure high quality and alignment of incentives: In its legal constitution, Generous Minds is co-owned by the Covestors, based on the number of consulting-hours that were successfully sold to social ventures. This essentially means, that the ownership-structure of Generous Minds is constantly changing and dynamically allocating voting power to engaged individuals.

Furthermore, Generous Minds’ clients only pay if they rate the consulting service they receive as effective and successful. Additionally, hourly rates for experts paid by Generous Minds are relatively low, so that consultants are incentivized to choose initiatives they strongly relate to and deliver their support in the shortest time possible. Both mechanisms ensure the high quality standards of Generous Minds’ Covestment approach.

Generous Minds' Impact

A growing number of businesses and start-ups are becoming aware of the fact that socially and environmentally relevant entrepreneurship is the way of the future. At the same time, many impact-first ventures lack access to highly qualified human capital and financing. Generous Minds was incorporated in 2013 to bridge this gap at sustainable and fair rates and conditions in the following impact areas: housing, nutrition, education, health, work environment, society, energy, recycling, transport and nature.

To this point, Generous Minds is co-owned by more than 40 Covestors and focuses primarily on Dutch ventures operating mostly nationally, but also internationally. So far, the collective has assessed over 325 social ventures, worked with 75 clients and financed roughly €7 Million from their own integrated funds and co-investor network.

Generous Minds is currently developing an impact metric for their operations, which is based on a portfolio approach of the ventures they work with. The accumulated impact of the various different ventures and across the different impact areas will then be used to estimate the added value of Generous Minds.

Future Outlook

Generous Minds is looking to grow its number of Covestors over the next couple of years. In fact, the founder's vision is to grow Generous Minds to become a global movement, showcasing alternative ways of collaboration on developing solutions to some of the most pressing social and environmental problems worldwide.

Simultaneously, the Covestor collective is evaluating the possibility to raise and operate their own impact investment fund in the future, so that they are able to invest on a larger scale and take lead investments. One binding condition for the fund, however, is flexibility: Generous Minds' distinctive potential is its versatility and flexibility – the same must hold true for any future investment activity.

Finally, the collective approach to developing and strengthening impactful business models and ventures requires a shift in the mind-set of the economic ecosystem in the Netherlands as well as elsewhere. Generous Minds has taken a couple strong steps towards creating this new imperative.

More Information

More information about Generous Minds and their Covestment model can be found on their homepage generous-minds.com and on their B-Corp domain bcorporation.net/community/generous-minds. Ronald Beuk, founder and Covestor of Generous Minds, is happy to share his vision personally.

Contact

EVPA Policy Team
policy@evpa.eu.com



Ronald Beuk
Generous Minds
rbeuk@generous-minds.com