# Onceweek as Non-Profit Company

## 1. Introduction

**We want to establish a software company that**

> *charges not more than production costs,*

> *pays fair its employees,*

> *only does what's good for the users,*

> *because it doesn't serve piling up investor wealth.*

These are the ideas behind.

## 2. User Fees = Production Costs

We don't pay a return on investment. However, we still have to pay for other compelling factors as:

- **Employees**: We pay fair wages. That may be wages above what is usual in the market, if we consider those unfair.

- **Business Administration and Taxes**: These cost comprise the production overhead costs. E.g. office rents, HR, accounting, insurances, community infrastructure, etc.

- **Variable Service Cost**: Costs for e.g.: server, digital service provider, etc.

- **Savings for Investments and Contingencies**: We need to build up reserves for larger investments and unforeseen circumstances.

We assume that we can run ~5k Users in the IT-provider's free tier. *Beyond the free tier we'll have to charge the user the variable costs immediately.*

## 3. Our Community is the Director General

At onceweek, the community plays the crucial role in guiding the direction of the app.

- **Community defines Goals**: The community's input drives the development of new features and other goals. It also should take part in the development process itself.

- **Keep Fees Low**: we only charge the costs of production and the more users we have, the more will the per-person fees go down.

- **No Vendor Lock-In and Open Standards**: We will not create any artificial barriers to users leaving for a different platform. We adhere to open standards. We thrive to publish our code as free open source, if it does not endanger the company.

- **German Privacy Protection**: Adhering to strict German/EU privacy regulations to safeguard user data.

Therefore we have *create and foster an active and vibrant community* and a critical feedback culture around the app.

## 4. Aspired Evolution

With sufficient support from users, we would like to further develop in the following directions:

- **Enhancing Features**: Continuously develop and improve the app in close cooperation with our community.

- **Transition to Native Apps**: Evaluate the transition from the current web-app prototype to ios/android native apps for a better user experience. Again in close cooperation with the community.

- **Get a Legal Entity**: A prerequisite to further development is a legal entity. We look for an entity that has no ownership or severely limits the owner's rights like e.g. a cooperative.

- **Hire Staff**: Get more people on board if we gain enough support for expansion.

- **Create a Professional Environment**: Create an environment for the staff and our community. That is office space, means to collaboration, training, etc.

## 5. A company without investors?

This is possible for two simple reasons:

1. At its core, software is a labor intense, not capital intense, product. The moment capital is needed, e.g. for bigger infrastructure, the costs can be passed on to the then existent users.

2. The founder have invested time for the initial groundwork to start the project. This time will only be payed in case of success. They take the risk of project failure without being entitled to a share of revenues as classical founders are.

## 6. Compensation for the founders time and money contributions

Unlike classical company owners, the onceweek founders are not entitled to a return on investment, like a fixed share of revenue.

However, the founders are entitled to a fair and appreciative payment for the years/months of work invested on their own risk without (or with little) payment. This will be an amount comparable to what they would have earned at a similar job.

If onceweek has grown into a sustainable company at founders retirement age, they will receive a pension appropriate to their contribution.

Every person that works for onceweek on a regular basis (for more than 6 month) before it is capable to pay them a fair wage is considered a founder.

*Compensations or pensions may only be payed, once the company is capable of bearing these costs sustainably.*

## 7. Are we really Non-Profit?

Profit is usually defined as *earnings - costs = profit*. We want to keep it to zero profits. So we must not increase our prices to increase profit.

And because the individual (per-capita) costs of digital services decrease with the number of users, our prices should decrease in the long run.

## 8. Conclusion

1.  We want to pass the huge scaling effects of software on to the user and NOT to the investors.

2.  User is king or queen: We want to develop a product – together with the user – that is genuinely appreciated by the user.

3.  In a working environment beyond profit maximisation that allows the employees to identify with product and the user. Similar to the relationship that a classic craftsperson has with his/her customers.