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The Dohmen Company Makes Revolutionary Change to Ownership Structure

The Dohmen Company, on the heels of a successful exit from the pharmaceutical industry, has made an unprecedented change to its organizational structure, becoming the first company in the nation to transition from a multi-generation, family-owned business to a company wholly owned by a private foundation.

As of January 1, 2019, The Dohmen Company successfully transitioned from an S-Corp with over 40 shareholders to a benefit corporation wholly owned by The Dohmen Company Foundation, a 501c3 non-profit organization.

The new structure, made possible by a provision in the Philanthropic Enterprise Act enacted in 2018 called the “Newman’s Own Exception,” ensures that 100% of the profits of The Dohmen Company will be donated to the Dohmen Company Foundation to be used for charitable purposes.

While a handful of for-profit companies across the U.S. have made commitments to donate their profits to charitable foundations and nonprofits, such commitments are always at-risk of being abandoned, particularly when company leaders and owners turn over. This new ownership model removes those risks, ensuring all profits are used for charitable purposes in perpetuity.

“After the sale of DLSS, our Life Science Services division, we had an opportunity to rethink our purpose as a company,” said Dohmen Chief Executive Officer Cynthia LaConte. “We wanted to have a bigger impact. The Newman’s Own model seemed like an ideal way to institutionalize the best elements of Dohmen’s culture — entrepreneurship and generosity.”

“I’d like to congratulate Dohmen for becoming the very first operating company to transition to the status of “Philanthropic Enterprise” as defined by the newly enacted Philanthropic Enterprise Act (PEA),” said Newman’s Own Foundation Chief Executive Officer Robert Forrester. “I lobbied for nine years to get this Act signed into law, because I saw it as a way for philanthropically motivated business owners to combine business innovation with nonprofit impact. The groundbreaking action taken by Dohmen justifies our hard work and that of the members of Congress that signed this Act into law.”

To achieve this shift at Dohmen, LaConte met with each shareholder of the sixth-generation family business to share her vision for the next phase of the company. Every shareholder either redeemed their shares or contributed them to the Foundation, with more than 50% of the outstanding shares having been contributed.

“We’ve had a lot of success over the years and achieved much for our shareholders,” LaConte said. “Now, instead of using the business to further enrich our shareholder base, we can use it to enrich our community. This allows us to measure organizational success not just in financial terms, but also by our ability to make investments with a high social return or SROI.”

As a B-Corp, The Dohmen Company will continue to pay income taxes, but this structure gives the company a chance to reimagine aspects of both capitalism and philanthropy. LaConte hopes that it will become a template for other family-owned companies that want to use their business as an engine to create lasting social change.

Since its inception in 2008, The Dohmen Company has committed \$23 million to efforts that help people live healthier lives, by donating a portion of company profits to the Foundation. However, this traditional approach to philanthropy limited the Foundation to shorter-term interventions without the capacity to address systemic causes of health and wealth disparities.

“At Dohmen, we mark time by generations instead of quarters. Being able to use the commercial side of our business to power the Foundation will allow us to invest in long-term, best practice strategies to address the significant life expectancy gap affecting our distressed communities,” LaConte said.

The Dohmen Company is positioned to grow its commercial operations through acquisition, continuing its 160-year history of delivering innovative market solutions and providing meaningful employment. Both the Foundation and the Company plan to add headcount this year.

“In this tight labor market, we believe this change will also positively influence our ability to attract the best and brightest talent,” LaConte said. “People today want purpose, not just a paycheck. Increasingly, they’re aligning with organizations that are measuring growth and progress in human terms rather than solely relying on financial metrics to articulate success.”

About Dohmen

[Dohmen](#) has been creating a more efficient, effective and easy to use health experience since 1858; first as an apothecary, then as a manufacturer, later as a wholesaler and today as a multi subsidiary provider of software and services. Our organization is committed to reducing the cost and complexity of traditional healthcare with solutions that deliver equitable access to a happy and healthy life.

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