

Next Generation Leaders into Ownership

"I want to be an owner... but I don't have the money."

If Broadleaf is about anything long term, it's this: the right people should get the opportunity to own the businesses they help build. Not just founders. Not just those who started something first. But the next generation of leaders.

We've helped bring 19 Next Gen leaders into ownership across our partner businesses. In every case, the common barrier was the same: capability was clear, capital was not.

WHO WE MEAN BY NEXT GEN

Not an age group, a mindset. High talent, hard working, humble, hungry, smart, and deeply committed to building the business. They don't need to be loud or self-promoting. But they need to want responsibility, and ownership.

The Pattern We See

A high-calibre team member is told "Someday you'll be an owner." That day never arrives, not because anyone is dishonest, but because it becomes complicated. Questions pile up, existing owners feel overwhelmed, and talent quietly leaves.

Making Mechanics Simple

Broadleaf supports the decision process, expectation setting, clear valuation, legal and shareholder agreements, and formal induction into ownership. Because ownership is not something you 'arrive into', you should be inducted. Clarity creates alignment.

Direct vs ESOP

Start simple. For most growing businesses, direct ownership is the cleanest structure: real shares, real voting rights, real dividends. ESOPs become excellent when multiple batches of Next Gen leaders come through. Complexity should follow scale, not precede it.

Facilitating Financing Responsibly

We believe in meritocracy. Capability, character, and commitment should determine opportunity - not whether someone was born into a wealthy family. Broadleaf typically helps facilitate bank financing for Next Gen leaders.

The structure:

- Debt secured against the business
- Sits on the Next Gen leader's personal balance sheet and is their responsibility
- Does not restrict their ability to buy a home
- Dividend stream from ownership supports repayments

Ownership should increase capacity, not create stress.

Liquidity and the Long Term

Ownership should feel meaningful - not like a trap. When a Next Gen leader needs to exit:

- Other owners within the business may step up
- Broadleaf can purchase those shares - sometimes temporarily, sometimes longer term
- The goal is always what's best for the business and its long-term stability

Businesses that fail to bring through ownership plateau, lose talent, and become transactional. Businesses that build pathways renew themselves, retain high performers, and outlast founders.

Ownership in the right hands. At the right pace. With the right structure.

"Next Generation leaders deserve clarity, structure, and the opportunity to step up. And existing owners deserve a process that isn't overwhelming. That's what we help design."