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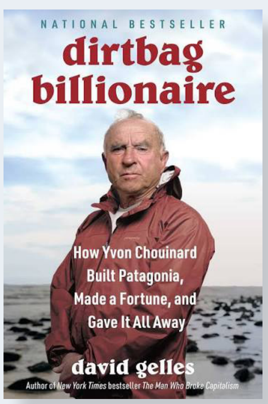
What we're reading: *Dirtbag Billionaire*

BY: NOOR CHOUDHRY

In 2022, Yvon Chouinard — the founder and visionary behind the outdoor apparel and specialized gear company, Patagonia — innovated a groundbreaking succession plan by transferring voting control of the company to the Patagonia Purpose Trust and donating the economic interest to the Holdfast Collective, a non-profit that uses Patagonia's profits to support environmental and climate initiatives. The move ensured the company's mission and culture would endure while directing its long-term value toward a broader purpose.



The story behind this decision was first chronicled in The New York Times by journalist David Gelles, and is now detailed in a new book, also by Gelles, called *Dirtbag Billionaire: How Yvon Chouinard Built Patagonia, Made a Fortune, and Gave It All Away.*

Why this story resonates with founders

Dirtbag Billionaire tells a story we love — of a passionate entrepreneur who built a successful, enduring company based on his vision and passion. Chouinard ended up with a challenge faced by many business founders: *What do you do with a business when children and heirs are not interested in taking over?*

This led to the creation of a **viable third option** for private business owners. It also created a movement for others (part of Chouinard's genius), with over 80 "follow-on" plans having been implemented in the last 5 years (e.g., see this recent article in the New York Times: *Sell the Company for $400 Million? He's Giving It Away Instead)*. We believe this movement is worth paying attention to.

CMG Partner Peter Creaghan reflects on the book

"I loved reading *Dirtbag Billionaire*. It was recommended to me by a great client, and I've since given out many copies to other clients. It tells what is — for us — a familiar story, about a passionate visionary founder who built a great company, with a unique culture based on grit, determination, and resilience.

It feels a bit like starting a religion, but in the world of commerce. Chouinard has a strong belief in his products and the mission they serve, and moreover, he's responsible for creating the cultural ecosystem that keeps the company going. And then, when faced with the traditional options for succession (sell the company, leave it to the family), he arrives at the deep realization that the company is much more than a pile of money; it's an enduring creation, and he wants it to flourish and thrive for generations."

Purpose, culture, and continuity

Chouinard's approach prioritizes preserving the company's culture and continuity over personal financial gain, highlighting the importance of considering the long-term impact of succession decisions. Patagonia demonstrates how succession can be designed around a company's purpose, culture, and long-term continuity — ensuring that what a founder built can endure beyond their own generation.

What helped Chouinard mobilize his approach was a small, trusted team that understood his vision for Patagonia and what really mattered to him. That's what allowed them to surface an entirely new solution. As he said back in 2022:

> "Truth be told, there were no good options available. So, we created our own."

We believe his thinking will continue to impact others for years to come, and celebrate the effort it took to create it.

Noor Choudhry is a writer and Content Specialist at Creaghan McConnell Gould.