

# Entrepreneurial Capital Dependence and Firm Ownership

Finley Lewis

*Plano West Senior High School, 5601 West Parker Road, Plano, Texas, 75093, United States*

## ABSTRACT

As companies scale, their founders often lose control of them, particularly after receiving investments from private equity or selling stock ownership to private investors. This research examines why founders are forced to leave their companies and how they can keep their positions. The study compares four case studies: McDonald's, Instagram, WeWork, and OpenAI. It analyzes how founders lost their authority or used resources to keep their power through various forms of capital, such as financial, governance, organizational, and social capital. After analyzing and exploring each case study, it is discovered that the most common dependencies for founders are financial and governance capital, depending on how decisions are made in an organization. The study also reveals that founders can counteract dependencies by utilizing capital types such as social capital. As shown in the OpenAI case study where a founder successfully maintains their position, the strongest method to offset founder dependencies is through social capital built from long-term relationships with employees. Founders play crucial roles in the growth of their companies and are at higher risk of being removed as they expand. It is crucial that founders understand how capital functions to avoid being left behind. There are many studies and articles on founder removal, but few focus on how they can remain competitive. This study advances the discussion of how founder influence and responsibility may last by proving that capital is a resource that can be leveraged in order to sustain their company status.

**Keywords:** Founder Removal; Founder-Investor Dynamics; Resource Dependency; Financial Capital; Social Capital

## INTRODUCTION

Every entrepreneur and company founder faces the same challenge: determining where to begin. Theoretically, a profitable company will generate enough revenue to reinvest in itself, but it may take years to get

to this stage. Reaching this point takes resources that most founders do not have. Some founders are successful at raising money, but they may also risk accepting donations from relatives, which could strain their relationships. When a private equity firm invests money in a private company in exchange for stock ownership, it can complicate the relationship between the founder and the investors. Private equity investors aim to grow the company's value to increase it over time. While founders' goal is to also grow their companies, they have unique visions. A tense dynamic may arise from different visions and goals, particularly when founders

---

**Corresponding author:** Finley Lewis, E-mail: [finleyjameslewis@gmail.com](mailto:finleyjameslewis@gmail.com).  
**Copyright:** © 2025 Finley Lewis. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.  
**Accepted** August 23, 2025  
<https://doi.org/10.70251/HYJR2348.34390405>

realize they do not have full ownership, meaning they have less influence in decision-making. In some cases, a company may expand, and the founder's future becomes more heavily influenced by others. If a founder, such as a chief executive officer (CEO), has an executive position but fails to lead the company to success, profitability, and the standards of private equity investors that fund it, they may face removal from their role. Entrepreneurs take risks when establishing a company and even more to ensure its survival. A founder who is not cautious may find themselves depending on individuals or companies beyond their control.

This study provides important observations on the conditions under which founders may be removed from their companies, particularly from private equity financing during the company's success. It analyzes the dependencies that develop around founders and the various types of capital they can use to offset those dependencies. Previous research focuses on the importance of organizational structure in startup companies for long-term impact and the dynamic between young companies and venture capital firms. There are many warnings about protections and defense mechanisms young companies must adopt when negotiating private equity agreements. In contrast, this research focuses on the responsibilities founders must take as CEOs after considerable growth and explores how founders can maintain their influence within their companies. As companies experience growth, certain private equity investors may exit the company during its most successful state, while others who have contributed to the company may remain involved and seek increased profitability through increased involvement. Founders have unique roles that cannot be replaced due to their history with the company. After extensive scaling and success, founders often face increased scrutiny regarding their leadership capabilities in guiding the company toward further short-term and long-term profitability. Capital dependencies that could lead to a founder's removal may also be influenced by the company's structure and social ties. The resource dependence theory argues companies that depend on extensive resources of capital or other resources such as labor may lose control to external parties, including investors who provide these resources, which has been studied in other articles [29]. This research investigates how different founders become dependent on varying types of capital and how they can leverage these resources to mitigate dependencies rather than choosing between control and a company's survival.

This research will analyze four specific cases involving founders being separated from their companies, examining the conditions that led to these separations and the types of capital leveraged by the founders or opposing forces. The first case study focuses on the founders of McDonald's and how they were pushed out of their company. The second case study is about the departure of Instagram's founders following the acquisition by Facebook. The third case study examines the exit of WeWork's founders from the company. The fourth case presents a unique analysis of how Sam Altman, founder of OpenAI, retained control over his company. Each of these companies had different beginnings, resulting in varied relationships with investors and unique dependencies or control dynamics. As these companies evolve, their needs grow, leading to shifts in the roles of investors and founders. The influence and power over decision-making can shift within parts of a company, such as the investors gaining more control than the founders. At the same time, the role of the founders becomes limited. This research article will examine the conditions of private equity financing that create risks for founders being separated from their companies, focusing on capital dependencies and how founders can leverage different types of capital to offset the dependencies.

## **LITERATURE REVIEW**

Founders are frequently portrayed as victims of their success in research articles and media, often identified with a "falling-out" with their own ventures. While it is true that founders begin relationships with investors to secure resources, such as financial capital, their reliance on these investors grows, resulting in the investors having more power and control over the company. However, founders possess the ability to address these challenges instead of giving in to them. Through the view of professional relationships in triads, we can analyze the interactions between founders, investors, and other stakeholders. For example, [35] studied the relationship between doctors, patients seeking referrals, and the specialists to whom patients are referred, forming a referral triad. In this situation, doctors serve as the primary resource for their patients and are trusted to put their needs first. However, they tend to refer patients to a small number of specialists with whom they are already familiar, which may lead to suboptimal care because they rely on routine patterns or social connections. The triadic structure can become imbalanced, similar to the

founder-investor-board triad. My study aims to examine factors that influence shifts in these relationships and how they may start fair but become unequal dynamics over time as dependencies are established.

Numerous experts and experienced entrepreneurs will provide recommendations on how to start and manage a business. Dependencies will grow simultaneously with the company's growth; founders must also learn how to counter problems instead of relying on defense mechanisms to prevent them. [38] examined the impact of India's 2016 demonetization policy on joint-liability microfinancing loans, highlighting the importance of microfinance loans on social ties within communities and the potential for defaults to spread under crisis situations. This study emphasizes the danger that dependency can reach, potentially leading to the collapse of economic systems. However, it does not provide insight into how such systems could have survived rather than succumbing to dependency. External parties can exploit vulnerable situations, necessitating built-in protections to mitigate risks. Addressing situations that create risk for a company takes time to develop. For example, [37] investigated how relationships with venture capital firms may result in the leakage of competitive information from one company to its competitors based on factors such as transparency to the firm, proximity, and commitment. Their research emphasizes the risks associated with venture capital relationships due to information leakage across different scenarios. My research addresses the gap in understanding what a founder can do to mitigate this issue instead of becoming a victim of it. Factors such as organizational structure and internal power dynamics may either contribute to or protect against information leakage. Therefore, a founder's ability to protect their company and position depends on their responsibility to counter specific challenges.

The examples given, along with those found in the literature, display a common narrative of founders losing control over both the internal and external parts of the company, particularly in the risks associated with relationships with venture capital firms. When founders distribute shares to board members or investors, they lose ownership of the stock. However, they can regain their influence in various ways. Authors from [36] examined how entrepreneurs frequently enter relationships with corporate investors ("sharks") to acquire specific resources. These relationships pose risks, necessitating that startups must protect themselves through mechanisms such as patents, trade secrets, and timing. The study is successful in proving how partnerships and

control of resources are risky relationships, but it lacks the perspective of the internal organization, such as patents within a company. For instance, securing patents prior to entering into an investor relationship with a "shark" is crucial, yet various assets can be leveraged within the company. This approach provides a means for a founder to regain control after selling shares of their company. Even after substantial growth, founders can maintain influence and control rather than becoming reliant on others.

## **METHODS AND MATERIALS**

This study examines four distinct cases, each with its own set of circumstances, relationships, and outcomes related to founders who exit companies. The case studies were selected and categorized based on the circumstances surrounding the founders' departures. There are three groups with categories that include those who were pushed out of their companies, those who chose to leave on their own, and those whose power was significantly limited by investors. Founders who are forced out often face financial or organizational issues that led to their exit, in comparison to those who decide to leave on their own. The first case study focuses on the McDonald brothers, where the founders were pushed out of their company. The second case, on the other hand, of Kevin Systrom and Mike Krieger from Instagram, illustrates founders who left voluntarily. The case of Adam Neumann from WeWork represents founders who left due to internal scrutiny, highlighting a range of contributing factors. Lastly, this research study looks at Sam Altman's situation at OpenAI, classified as "pushed out," but results in favor of the founder for the fourth case. This study will explore factors that led to the founders' departures, starting from the creation of their companies and identifying the dynamics that eventually diminished their influence and control. Founders seek out investors to gain financial support, while investors look for companies with potential over competitive advantages and opportunities. At this point in the company, various forms of capital are utilized, such as financial capital (monetary investment), social capital (relationships and public support), governance capital (authoritative control in a company from voting rights or board seats), organizational capital (company structure/systems and position in industry), and knowledge capital (expertise, technical skills, or intellectual property). In exchange for financial support and guidance, founders give equity and strategic knowledge of their venture to investors. This

change alters the organization and governance of the company, making a board and decreasing the founder's ownership. After more individuals take influential roles within the company, the founder's visions may diverge from that of the investors, especially when the company reaches higher profitability and the founder becomes more reliant on the investors. In all cases, a shift occurs when the company begins to grow, and power begins to escape the founders' control. This research will identify factors behind that shift and explore potential responses.

**CASE STUDIES**

**Case Study 1: McDonald's**

The foundation of McDonald's success as the world's largest fast-food chain started at a single location in San Bernardino, California, with an innovative strategy. The company was founded by brothers Richard "Dick" and Maurice "Mac" McDonald, who had a background in small business ownership and honed their skills through various production jobs and the original McDonald's Bar-B-Q drive-in. At the time, drive-in restaurants were popular meeting spots that attracted crowds, featuring extensive menus that required a considerable amount of labor to serve customers in their vehicles. The key to McDonald's success lay in the values the brothers placed on efficient timing. In their first Bernardino location, they engineered their menu to focus solely on burgers, French fries, and milkshakes, thus eliminating the need for a drive-thru and additional costs. The center of their innovative formula was the "Speedee Service" system, which improved kitchen efficiency through a precisely designed layout that assigned each appliance to a specific station with a designated purpose. The "Speedee Service" system and the limited menu combined allowed McDonald's to offer prices that were less than half those of competing drive-ins.

After licensing a small number of franchises in Arizona and California, Raymond "Ray" Kroc arrived at the San Bernardino McDonald's looking to sell the Multimixer milkshake machine. Instead, he recognized

the potential of the McDonald brothers' concept and desired to be involved in the business. Because the brothers struggled to maintain high-quality burgers and consistent quality across their franchises, they agreed to sign Ray Kroc as a franchise partner. Although they were not actively seeking a partner, they recognized the need for assistance in managing and standardizing their expanding locations. Kroc capitalized on the American values that McDonald's embodied, inspired by the brothers, and began to expand the brand nationally.

The contract signed between Ray Kroc and the McDonald brothers stated that the brothers would receive a 0.5% royalty on all sales while maintaining the proper quality of their products. Despite successfully recruiting franchisees and opening 288 locations in the United States, Kroc was still in large debt after mortgaging his home to finance the franchise's growth. Harry J. Sonneborn, his financial advisor, critiqued the existing business model, which involved building stores and leasing the land to franchisees. As a result, the McDonald's Real Estate Corporation was established without the brothers knowing about it first. Kroc restructured the company and internal organization (Table 1), positioning himself at the top.

Dick and Mac McDonald disagreed with many of Kroc's ideas and rejected several concepts, including the power milkshake and the notion of significant expansion. The brothers' vision was not to establish a nationwide approach but to be more local. However, Kroc successfully expanded the brand across the country. They symbolized the traditional American values of the decade, which Kroc used to advertise, but this alignment was insufficient to maintain their partnership once Kroc assumed control of the majority of the business. The brothers preferred to source ingredients locally and limit the number of franchises to maintain high-quality standards. Later, Kroc implemented employee training programs and set strict regulations to ensure consistent quality at each location. After much conflict, including the establishment of a real estate company without the brothers' knowledge and limiting their power within the company, Kroc bought out the brothers

**Table 1.** McDonald's Case Study Outcome

<b>Dependence</b>	<b>Offset</b>	<b>Outcome</b>
Organizational Capital	Organizational Capital	Ray Kroc owned the McDonald's Corporation and trapped the McDonald brothers; their best option was to take Kroc's deal to sell the brand trademark, which he needed.

for \$2.7 million in 1961, allowing each of them to receive approximately \$1 million after taxes. They also agreed on a 0.5% royalty on all sales, which was never documented, and the brothers never received it. Today, a 0.5% royalty would be more than \$600 million annually. After their departure, they were not allowed to use the name “McDonald’s,” so they reopened their store as the “Big M.” Soon after, Kroc opened many “McDonald’s” locations near them, causing them to shut down. For years, Ray Kroc was remembered as the “founder” of McDonald’s, overshadowing the contributions of the brothers, who have only recently received recognition.

Although the McDonald brothers were content with their innovative restaurant idea and the few franchises they had developed, they accepted Ray Kroc’s offer to become a franchise partner. Their vision did not involve expanding as much as his did; instead, they aimed to create a successful system to help their current franchises remain like the primary location. Kroc’s vision differed from theirs, and he sought to expand the company aggressively, achieving personal success without considering the interests of the founders. After he gained control, Kroc pursued new ideas, shifting the vision and the original design of McDonald’s implemented by the brothers. He founded the McDonald’s Real Estate Corporation and claimed its revenues for himself. When he bought out the brothers, it became their only logical option, as the partnership had dissolved. The brothers’ influence in the company waned due to the lack of internal constraints on Kroc. He further limited their power by creating the corporation and hiring executives and lawyers without their involvement. Before leaving the company, the only asset the brothers retained was the trademark of their brand name. In this case, an investor came in with an aggressive growth strategy and scaled quickly, taking on the financial risks and requirements himself. Because the aggressive investor wants to propel the company, it was crucial for the founders to share the vision for growth; otherwise, they would be left behind. The turning point occurs when the investors change the company’s business model. In this case, Kroc transformed McDonald’s into a real estate company (Table 1). The brothers’ mistake was failing to be involved in all aspects of the business. From there, their control over their own company plummeted because they prioritized their personal values and original vision over the fast-growing company and the opportunities it presented.

The McDonald brothers were the original owners of the company and the Speedee Service System. Ray

Kroc recognized significant potential in the McDonald brothers and their restaurant, largely due to their origin and identity. Kroc leveraged the narrative of an American family-owned business to expand the number of locations, thereby developing McDonald’s reputation before it became a prominent restaurant chain across the United States and around the globe. This motivated Kroc to expand the business as much as he could.

At the end of the brothers’ time in their company, Kroc offered to buy them out of the company and the brand. Had Richard and Maurice McDonald declined Kroc’s deal, he could have chosen to sever ties with them or pursue legal action, given his ownership of the McDonald’s Corporation. Kroc held considerable influence throughout this period, not only because he owned the McDonald’s Corporation but also due to his acquisition of the trademarks and the McDonald’s name, which held substantial value.

The McDonald brothers became dependent on Ray Kroc and the McDonald’s Corporation, as Kroc built the company in his name (Table 1). The real estate portion of the company, which operated under the McDonald’s Corporation, generated the majority of the revenue. McDonald’s was structured as a real estate entity that would buy land for its restaurants to facilitate lease payments. The brothers received a percentage of sales and made a significant portion of their income from the real estate aspect, due to Kroc’s business model. During the expansion, Kroc and the brothers clashed over how the business should grow, but Kroc often disregarded their input due to his position. From the moment he signed on, Kroc sought to take on a larger role within the company and become more than the role of a franchise partner. Over time, the McDonald brothers had less leverage to use against Kroc in the long term. Their ownership of the McDonald’s name was their sole asset keeping them connected to the company. This served as the only barrier to Kroc displacing the founders, given his organizational capital that effectively marginalized them. Kroc’s organizational capital within McDonald’s was more potent than the brothers’ limited organizational capital for owning the brand name, an asset that could be bought out. Had the brothers negotiated a 0.5% royalty agreement with the company, they could have earned over \$600 million annually.

### **Case Study 2: Instagram**

Kevin Systrom and Mike Krieger prototyped and launched Instagram in 2010. Within two years, the platform was valued at \$1 billion, growing to 30 million

users, with a staff of just 13 employees. Instagram was known as the future of social media and the best current business opportunity. As a result, Twitter and other companies tried to acquire Instagram. Kevin Systrom wasn't excited by the offer from Twitter to buy Instagram for \$500 million. He recognized the offer as a significant amount of money, but he wanted to make Instagram as expansive and influential as possible, asserting it was too valuable to be acquired.

Due to Instagram's popularity, Facebook also considered acquiring Instagram. Mark Zuckerberg, the CEO of Facebook, reached out to Kevin Systrom about buying Instagram. At first, Systrom panicked, aware that Zuckerberg was the CEO of one of the world's largest and most powerful companies with the capability to easily buy, copy, or kill any competitors. Zuckerberg wanted to buy Instagram to eliminate his competition. Facebook made the offer, outlining that the two companies would achieve accelerated growth together. Systrom knew the purchase would help Instagram grow rapidly, but he was still cautious of its implications, such as Facebook replicating Instagram. Facebook had more than 100 million users, surpassing Instagram in terms of popularity and usage statistics. Systrom was still hesitant to sell but knew that Instagram would grow quickly with Facebook and agreed for Facebook to acquire it for \$715 million, allowing Kevin Systrom and co-founder Mike Krieger to run it as a separate company within Facebook (Table 2).

Following the acquisition, Kevin Systrom held complete control over Instagram until 2016. During this time, the platform experienced significant growth, introducing new features, staying ahead, and competing with emerging competitors, such as TikTok. Instagram's customer base expanded rapidly with the help of Facebook engineers to create features like video sharing. They became unique from other social media platforms, with stories and reels sticking to an innovative, aesthetic, and creative approach to attract younger people. Meanwhile, Mark Zuckerberg acquired companies such as Oculus and WhatsApp, creating a collaborative environment among founders and executives to easily communicate and share

resources. By 2016, Instagram had surpassed Facebook in user engagement, even though each minute spent on Facebook generated more revenue than on Instagram. Instagram was simple, with minimal advertisements and paid promotions. As Zuckerberg began to devote more attention to Instagram, he sought to transform it into a revenue-generating business from advertisements and shopping commissions, rather than a platform that acted more as a product instead of a business.

Later, the original teams behind Instagram and WhatsApp were replaced by Facebook employees (Table 2). Kevin Systrom's influence within the company diminished as Zuckerberg's growth mentality overtook Instagram. Facebook faced stagnating use and sign-ups and could no longer grow rapidly without spending significantly more money to expand its user base. As a result, Zuckerberg spent more time relying on Instagram and its younger demographic. As Zuckerberg became more involved, the founders attempted to resist Facebook's initiatives that conflicted with their vision, but their efforts ultimately failed. In 2018, Kevin Systrom and Mike Krieger left Instagram without equity alongside other executives whom Facebook required to leave.

In the case of Instagram, the founders accepted the offer to operate under Facebook, unlocking rapid growth and resources but potentially overlooking the long-term consequences. Once Mark Zuckerberg transformed Instagram's business model to incorporate influencers and shopping, the platform generated significant revenue, differing from the founders' original vision and without their involvement. More money was spent and led investors to expect higher returns. Instagram faced the choice of growing under Facebook or risking going out of business. From the start, they encountered pressure to keep up, but after Facebook acquired Instagram, the founders followed similar business strategies they had employed before the acquisition. If the founders do not further develop Instagram into a more profitable stage, investors are more likely to seek alternative ways for returns, potentially at the expense of the founders. There is continuous pressure

**Table 2.** Instagram Case Study Outcome

Dependence	Offset	Outcome
- Organizational Capital - Governance Capital	Social Capital	The majority of Instagram's original employees were replaced after the acquisition. No one prevented Facebook from implementing its vision of Instagram; the founders left for other creative pursuits.

to monetize, which is what Zuckerberg did through advertising, influencer partnerships, and shopping features, which are unaligned with the founder's creative vision. Changing the company's enforcement of its power was something Facebook did, similar to the situations in McDonald's, such as the replacement of Instagram's original employees with its own. Similar to the McDonald's scenario, the investors initially granted some freedom, then gradually withdrew it. The founders took on the investor because they felt they had no choice; their visions separated, and the profitable partner "won."

From the beginning, the founders of Instagram, Kevin Systrom and Mike Krieger, established a clear power dynamic. Instagram possessed significant value and growth potential, yet Facebook was an established leader in its market (Table 2). Facebook could leverage its organizational capital and intimidation from both internally and externally, given its dominant position in the industry. The company made a fair offer to acquire Instagram, allowing Systrom to be in charge of his company within Facebook. Initially, the Instagram team had creative freedom and the opportunity to create and expand their company. However, Facebook employees and engineers replaced many of the original Instagram team members. Over time, Facebook's CEO Mark Zuckerberg took more control of Instagram when its profitability did not grow as fast as the company did within Facebook.

This shift marked the beginning of a conflict over the vision for Instagram's future. Kevin Systrom advocated for a creative approach to the app's development, prioritizing growth over immediate monetization. In contrast, Zuckerberg transformed Instagram from an app into a business through alternative monetization strategies. Systrom found it challenging to advocate for his vision, as many of the original Instagram employees were no longer with the company after the acquisition. This indicates that Systrom's argument for maintaining Instagram's original approach lacked support with a weak form of social capital. Without strong backing for the founders' visions, they were overshadowed by Facebook executives who followed through with Zuckerberg's processes from governance capital. This was the turning point when Systrom lost autonomy over Instagram, leading to a different direction (Table 2). As Facebook owns Instagram and has invested substantial resources in its growth, Systrom's influence within his company declined.

Systrom's departure was not entirely the result of external pressure or investor influence; he left

because he had lost all influence within Instagram. He recognized the significant power Facebook had over Instagram before and after its acquisition. Facebook's established position in the industry provided it with the organizational capital necessary to outcompete rivals or use horizontal integration strategies. Although Systrom attempted to reiterate his original vision for Instagram, he faced challenges, as none of the original employees remained to advocate for that vision, particularly given Facebook's ability to leverage governance capital against any decisions.

### **Case Study 3: WeWork**

WeWork is a coworking space company headquartered in New York City, founded in 2010 by Adam Neumann and his wife, Rebekah Neumann. The startup attracted executives from major corporations who wanted to participate in its rapid growth. WeWork emerged as one of the fastest-growing startups in the United States because every investor wanted to be a part of it, resulting in the company raising a substantial amount of money and spending it simultaneously. Masayoshi Son, the CEO of SoftBank, was one of the most important investors that put money into WeWork. In 2017, SoftBank launched its Vision Fund, which raised \$100 billion, the largest venture capital fund ever established. The Vision Fund is responsible for the rise of companies like WeWork and Uber, as well as for removing the founders and CEOs from both companies as they grew from a common factor of capital influx. The fund's structure, which relied on loans from employees and borrowed money, made it vulnerable to going into debt if investments did not pay off as promised. Because of the fund's debt obligations and payouts to investors, the Vision Fund exerted pressure on the companies it invested in to deliver quick returns, hoping to keep it going.

WeWork continued to depend on investor funding because it wasn't making enough money on its own (Table 3). Additionally, CEO Adam Neumann financed his wife's new educational program, and the family maintained a lavish lifestyle. As their financial resources decreased, they had to seek out additional funding to survive. After deciding to go public, major banks such as Goldman Sachs and JPMorgan committed to providing a \$6 billion loan. The company had to pursue an initial public offering (IPO) to secure fresh funds to stay in business and to sell shares, with SoftBank's Vision Fund also pressuring to proceed with the IPO. Prior to the IPO, the private company was estimated to be worth \$40 billion. However, before the IPO was completed, bankers

assessed the company’s value at around \$15 billion based on the filing, which revealed a financial loss and raised further concerns about its financial stability. Adam Neumann had to delay the IPO, which caused frustration among investors, especially SoftBank.

There were a number of reasons why he stepped down as CEO. The company was experiencing financial losses, and the board members were reportedly wanting to remove him after the delayed IPO due to concerns about the business model, valuation, and governance. Also, pressure from other investors, including SoftBank and the public, worsened the situation. Neumann faced considerable public scrutiny, which negatively impacted the company’s management and operations. He lost the backing of WeWork’s largest investor, SoftBank. Masayoshi Son pushed Neumann to resign after threatening to withdraw from WeWork (Table 3). Without SoftBank’s loans or the \$6 billion in debt financing from the bank, WeWork would have faced significant challenges in surviving. Neumann understood that he would need to sacrifice himself for WeWork because it would not be successful with him in the future.

Adam Neumann, the founder and former CEO of WeWork, resigned under pressure from the board, the public, and investors, including SoftBank. Neumann lacked the necessary type of capital to leverage against his and WeWork’s dependencies. His position became vulnerable because multiple sources were pressuring him to leave WeWork, including investors. Neumann relied on employees and the public for support (Table 3) to create one of the most “successful” startup companies in the United States, which attracted significant investor backing and contributed to escalated spending rates. However, WeWork was not profitable and could only sustain operations through external funding. Consequently, both Neumann and WeWork became dependent on their investors, like SoftBank, for survival.

As the company expanded and pursued new investments, the board began to distance itself from Neumann’s actions, particularly as his erratic behavior attracted public scrutiny, leading to a reliance on social

capital that led to a damaged reputation. Neumann created a high-energy workplace atmosphere, but he mostly worked independently with minimal support. As the board and investors became critical of his personal and corporate spending habits, he attempted to frame himself as the sole visionary for the company, therefore deemed vital and irreplaceable. Nevertheless, he was unable to gather enough social capital from the public and support from the board (Table 3). He stayed as CEO for a long period of time because he owned the majority of ownership and votes on the board (Table 3). The board members were unable to remove him without his consent and votes because he had leveraged more governance capital against the united board.

When WeWork overly relied on SoftBank as an investor, Adam Neumann knew that his company would fail if he did not step aside. His influence within the company decreased as SoftBank wielded leverage from its financial capital control and the board’s authority. Even Neumann’s efforts to leverage his leadership as an advantage failed and backfired on him. There were reports that came out of excessive partying among employees and rumors of his extravagant spending at the company’s expense. SoftBank wielded significant power within the company as WeWork’s largest investor, impacting important decisions. With SoftBank no longer supporting Neumann in his role, it threatened to withdraw its investment, placing WeWork’s survival at risk. The company had become overly dependent on its investors; after failing to secure a \$6 million loan, WeWork remained dependent on external funding. WeWork generated a substantial amount of financial backing from multiple investors, who spent a significant sum on a business that was not earning a return on their investment. WeWork could not risk losing the loan and investors because the company was not sustainable. After spending a significant amount of money, the capital was granted, and the company relied on its investors’ financial capital to support it. This situation may have been caused by SoftBank’s pressure on accelerated growth, which was essential for the Vision

**Table 3.** WeWork Case Study Outcome

<b>Dependence</b>	<b>Offset</b>	<b>Outcome</b>
Social Capital	Governance Capital	The board was unable to remove Neumann from CEO position because he controlled most of the votes. This allowed Neumann to negotiate a favorable departure package.
- Financial Capital - Social capital	Social Capital	- Neumann’s dependence on investor Softbank offset his leverage - The public established a negative opinion, crediting WeWork with a bad reputation.

Fund's success. The Vision Fund, having invested billions of dollars into the startup WeWork, pressured the company and pushed it to grow rapidly and pursue an IPO. This aggressive growth strategy resulted in the company spending too much money and relying more on its investors. A takeaway from this case is that financial support comes with conditions. When SoftBank got involved with WeWork, the company was pushed to grow, which intensified due to the substantial amount of money it was receiving, ultimately resulting in Adam Neumann's departure from WeWork.

#### **Case Study 4: OpenAI**

OpenAI is an artificial intelligence (AI) research organization founded in 2015 by co-founders Sam Altman, Greg Brockman, Ilya Sutskever, Elon Musk, and others. The founders established it as a nonprofit organization dedicated solely to developing AI safely for the benefit of humanity. CEO Sam Altman, alongside co-chair Elon Musk, secured an initial funding of \$1 billion with other entrepreneurs. In 2018, Musk departed the organization with concerns it was lagging behind other companies, such as Google, in technology and AI development. Although Musk sought to lead OpenAI, Altman turned him down, resulting in Musk's exit and leaving the organization in a difficult financial situation since Musk had funded the work. OpenAI later transitioned to a for-profit company to sustain the resources required for its operations. It also partnered with Microsoft, which became its primary investor, owning a 49% stake in the company.

On November 17, 2023, the board made the decision to terminate Sam Altman as CEO of OpenAI. In the summer of 2023, a board member learned that OpenAI's "Startup Fund" was allegedly not disbursing funds to its intended investors. Altman's management of the fund caused questions over his leadership and continued speculation over his position. A discussion was had between a board member and the chief technology officer (CTO) that there was internal pressure to withhold certain information from the board. Soon after the release of ChatGPT, the OpenAI board expressed frustration over their lack of knowledge and awareness of its launch and voted to fire Sam Altman, leading to the board dismissing him from CEO. Additionally, they removed Greg Brockman from the board due to suspicions that he was loyal to and feeding information to Altman. In the board's official statement regarding their departure from the company, they claimed Altman was not being "consistently candid in his communications with the board" as the primary

reason for his dismissal.

Four days after Altman's dismissal, the board reinstated him as CEO of OpenAI. During the weekend of the occurrence, Greg Brockman tweeted his resignation from the company in protest over the firing, which had already turned employees against the board before the board issued a statement. Microsoft was informed of the decision one minute before it was announced. Microsoft CEO Satya Nadella quickly began efforts supported by other investors to reinstate Altman. OpenAI employees tweeted that they might leave, stating, "OpenAI is nothing without its people." Microsoft increased pressure to secure Altman by offering him a CEO position in Microsoft's AI unit, including roles for his employees with compensation similar to that of OpenAI. Also, Altman was also in discussion with investors about employee share sales, which would enable employees to sell their shares at a valuation exceeding \$80 billion, making them quite wealthy. Amid the turmoil, board member Ilya Sutskever tweeted an apology, leading to the reinstatement of Altman as CEO.

On the following Tuesday, employees celebrated in the office. OpenAI was originally founded as a nonprofit research organization, with the founders asserting that, unlike Google or other companies, it would not be driven by commercial incentives. They committed to developing artificial general intelligence (AGI), a machine as capable as the human brain. Employees were drawn to this cause because they wanted to create technology that received the same level of importance, often related to the Manhattan Project, rather than creating the next popular device. Board member and co-founder Ilya Sutskever acted on removing Sam Altman from concerns that AI was advancing rapidly and OpenAI would risk falling behind. He feared that Altman was overly focused on AI development and unaware of the competitive market. A significant 95% of OpenAI employees signed the petition to reinstate Altman, threatening to leave if he did not return, as they were not at OpenAI to enrich billionaires. The culture at OpenAI was strong because the organization consistently stayed true to its mission. Sam Altman led the company, emphasizing diversity, perspective, team autonomy, collaboration, and transparency, which enhanced productivity and made employees part of a community.

As the CEO of OpenAI, Sam Altman leveraged various forms of capital to counteract the board's decision to fire him and reinforce his authority in the company. Although he is a co-founder of OpenAI, the board's

influence grew as Altman increasingly relied on the company for financial resources (Table 4), shifting the executive power dynamic in favor of the board after his reinstatement. He depended on the company for financial capital, and the board's combined strength (company governance capital) gave it influence over him, allowing it to dictate his decisions. These dependencies placed Sam Altman as the head of the company's operations, while the board wanted to influence decisions, creating tensions. For example, many parts of OpenAI were uninformed of the ChatGPT launch.

Altman used social capital by leveraging the collective influence of his employees to offset the board's governance capital. This strategy shifted the balance of power to also rely on him. Before the removal, the board recognized the power from Altman's control of the Startup Fund (Table 5), a venture capital initiative with an initial investment of \$175 million from external investors, including Microsoft. Sam Altman owned and managed the fund, giving him leverage within the OpenAI corporate structure. Greg Brockman, another co-founder and board member of OpenAI, maintained a close relationship with Altman, contributing to a form of social capital (Table 5) that created a sense of distrust among the board of directors, which led to Brockman's firing.

Moreover, Sam Altman offset his financial dependence on OpenAI through his knowledge and social capital. Altman was a key part of why OpenAI was able to achieve such significant success in AI development. Altman's impact on OpenAI employees and drivers of the AI industry is the reason the employees threatened to

leave with him. The potential loss of Altman would likely hinder the company's ability to maintain its competitive edge. His ability to transfer his ideas and knowledge to other organizations (Table 4), including Microsoft, posed a significant competitive threat to OpenAI. Altman's relationship with Microsoft already provided the opportunity for Altman to change platforms, given that Microsoft's relationship with OpenAI's board was unstable and distrustful.

The public events that led to OpenAI's launch and the CEO's removal were significant. The company had existed for several years, but it became popular following the release of ChatGPT. OpenAI was still relatively new to the public and aimed to solidify its reputation and position within the industry. After the board forced Sam Altman and Greg Brockman out of the company, discussions about employees switching companies and controversy began on Twitter. Brockman tweeted about the board's actions and expressed his disappointment, and he quit before they officially terminated his contract. Microsoft expressed disappointment in OpenAI after hearing about the news through social media before hearing it directly from them. Soon after, employees tweeted about the situation and shared their opinions, including calls for action against OpenAI and the potential movement toward Microsoft. The events unfolded publicly, for the world to witness. The information presented online about OpenAI, along with employee tweets portraying Sam Altman as a hero figure, fueled his social capital leverage against it. The company had to reinstate him to avoid further public disapproval.

After employees signed a petition to retain Altman as

Table 4. OpenAI Case Study Outcome

Dependence	Offset	Outcome
Governance Capital	Social Capital	- Employees demanded Sam Altman as CEO - Board reinstated Altman, avoided public scrutiny
Financial Capital	- Knowledge Capital - Social Capital	- Altman could've used his knowledge at another company, but decided to stay - Microsoft offered him a platform for AI development

Table 5. OpenAI Dependence on Sam Altman

Dependence	Offset	Outcome
Financial Capital	- Startup Trust - Employee Shares	- Altman controlled OpenAI investments - Altman could release then influence employees to sell OpenAI shares
Social Capital	Relationships within the Board	Created distrust by having a "spy"

CEO and outlined plans to leave the company (Table 4), Altman developed substantial financial capital against OpenAI. Before the board fired him, Altman discussed employee share sales with investors, enabling employees to sell their shares at a valuation exceeding \$80 billion, thus making them very wealthy (Table 4). If Altman and the OpenAI employees decided to move platforms to continue their AI development elsewhere, they would have had to sell all their OpenAI shares, which could have caused the company's stock to crash.

## DISCUSSION

### **Hypothesis 1: Start-up Founders Depend on Governance and Financial Capital the Most**

It is common for founders to build and grow a company, only to lose control due to how its operations are organized. This is primarily influenced by governance and financial capital's impact on startup founders. As a company develops, founders can leverage or rely on various forms of capital, including financial, social, and governance capital. A startup founder's primary concern is to make sure the business stays alive, which means securing financial support. Many large and small startups often don't have the internal resources to support their anticipated growth. Many entrepreneurs and CEOs, such as Adam Neumann, actively look for investors and go to great measures to secure funding for their businesses, typically focusing on external factors rather than internal dynamics. This drive can lead to founders giving up a significant amount of equity and ownership in their companies to obtain the necessary funds, marking the beginning of financial dependency. The constant chasing of funding and strategic relationships results in a reliance on investors and other companies that provide resources. As equity becomes distributed among major investors, the founder's ownership diminishes, limiting their ability to make significant decisions without having approval from the majority of the board, and they may be subject to removal based on the board's preferences.

In all the cases studied, financial and governance capital emerged as critical dependencies for founders. The instance of WeWork is a unique case because Adam Neumann structured the company to keep the majority of shares and power within the board. Although major shareholders and board members influenced the company, Neumann dictated final decisions as the founder and CEO because of his ownership stake. He was strategic in maintaining that power, which he later used to negotiate a favorable exit package during his exit. The board did

play a role in his resignation, but it was one primarily driven by social pressure rather than force because they didn't have a lot of control on paper. Financial capital became his principal dependency on SoftBank, which demanded his resignation; otherwise, WeWork would lose large portions of its consistent funding. The McDonald brothers had no say in company decisions because their franchise partner owned the business. Similarly, after Facebook's acquisition, Kevin Systrom of Instagram faced challenges in making creative decisions since he lacked both financial and governance capital. Facebook provided Instagram with important resources, such as economic and human capital, but Systrom no longer possessed governance capital to make creative decisions which leads to the first hypothesis. OpenAI, on the other hand, represents a case of a founder who was successfully able to leverage various types of capital to protect their position and influence, yet still faced challenges related to governance and financial capital.

### **Hypothesis 2: Offsetting Governance Capital with Governance Capital is a Short-term Process, with Short-term Wins**

Governance capital can be strategically utilized by board members or major equity stakeholders, leveraging influence and voting power to counter an internal decision or the authority of other executives. A common method for removing founders from their companies involves board members voting them out when they have the majority of the vote. This dynamic reflects a balance of governance capital against governance capital on both sides, highlighting the importance of which party possesses greater power and influence in joint voting scenarios. Building alliances among board members can be viewed as social capital, whereas exercising governance power within a company to make decisions is governance capital. Governance capital can offset governance capital in a short-term process, but it may not completely resolve an issue a company faces.

Adam Neumann's removal as CEO of WeWork wasn't a result of governance dependency, as he controlled the majority of the board's power. Neumann was careful to structure the company to maintain control over the board. While the board still influenced him and WeWork, the board sought to persuade Neumann to step down as their only option, illustrating how governance capital can be constrained when founders retain strong structural control. This scenario demonstrates how governance capital can offset itself because Neumann would need to consent to his removal for the board to successfully

leverage governance capital against him. A founder with strong governance capital can hold their position against other opposition from executives and members that own equity.

### **Hypothesis 3: Offsetting Governance with Social Capital is a Long-term Process with Short-term Wins**

Sam Altman at OpenAI is a notable public example of how a founder and CEO can maintain power and influence within their company by strategically leveraging various forms of capital against the board. Governance and financial capital are typically viewed as the most common, prevalent, and potent dependencies for founders, both within and outside their companies. In contrast, social capital is unique due to its base of human interactions and relationships. Many dependencies are predicted on the assumption that other variables within the company remain constant. For example, after an acquisition or a major organizational change, executives often underestimate the power of employees. However, these relationships constitute a form of social capital that can empower employees to unite and advocate for change if their collective influence is enough. The development of social capital is a gradual process, requiring the formation of relationships that enable employees to advocate effectively for their interests. Also, when utilized as leverage or dependence, social capital can include how the media reacts to events or perceptions, which can have long-lasting repercussions on their reputation. A CEO may attempt to use social capital to position themselves as vital to the company, but this strategy doesn't always work, as demonstrated in Adam Neumann's resignation from WeWork. The long-term cultivation of social capital has the power to offset dependencies, such as governance, but it takes a long process to develop those relationships for social capital to be effective.

The most effective case of offsetting governance with social capital is demonstrated by Sam Altman in OpenAI. The non-profit organization OpenAI was established to advance AI research and development and attract many workers in the field who were accustomed to the opportunity to expand research directly, rather than working to release products and make profits they may not see for themselves. OpenAI's mission resonated with its employees, which helped the company get funding by establishing a for-profit corporation. Sam Altman was OpenAI's first CEO and kept the company moving forward, focusing on the development of AI. However, other board members felt pressured by competitors

to act quickly because they released their versions of AI. They reacted by firing Sam Altman for not being competitive and more aware of the market, even though that isn't the company's main mission. In response to Altman's dismissal, Greg Brockman, a co-founder and board member, was also fired, and he announced their departures on Twitter. This was the first time employees and other major investors, including Microsoft, learned about it. Social capital proved to be powerful and was used to reinstate Altman as CEO because employees petitioned and threatened the board, stating that they would leave Microsoft if Altman were not reinstated. In this case, Altman's relationship with Microsoft also strengthened his leverage because they were angered by not being effectively communicated to by the OpenAI board and later offered Altman and his employees a place at Microsoft to resume their progress.

### **Hypothesis 4: Offsetting Organizational Capital with Social Capital or Organizational Capital is a Long-term Process, but Unsuccessful**

According to the preceding hypothesis, social capital can serve as a powerful asset for a founder when it is properly developed. Sam Altman engaged in productive office collaboration and management, as well as fueling himself and the entire company with a valid purpose: researching artificial intelligence and providing a rare platform and opportunity for people to do so. As mentioned in previous discussions, short-term social capital that is not shared among multiple people is ineffective. Adam Neumann attempted to leverage social capital by positioning himself as a "visionary," but WeWork and its stakeholders did not believe that. In the case of Instagram, organizational capital refers to Facebook's capacity to dominate its industry and ecosystem, which is particularly influential in business-to-business relationships. Social capital could be leveraged against it, but it must be powerful enough and developed over a long period to have an impact.

Facebook presented Instagram with a reasonable offer for its acquisition, but there was an underlying pressure for Instagram to accept the deal. At the time of the acquisition, Facebook was, and continues to be, an industry leader, which is projected through organizational capital. The implications of this deal were less significant for Facebook, as it would have gained from either outcome because of the company's dominance. Should Instagram have declined the offer, Facebook possessed the platform and resources to engineer its version of Instagram, integrated within the

Facebook company, from its position as a competitor and industry leader. Given Facebook's dominance in the social media sector, it could have easily outcompeted Instagram by gaining millions more users on its app. When Kevin Systrom, the founder and former CEO of Instagram, sought to implement his innovative vision for the platform, his proposals were dismissed due to profitability concerns, resulting in Facebook executives redirecting the company's strategy and approach. Initially, Systrom enjoyed autonomy over Instagram post-acquisition, but this autonomy gradually faded until he resigned to pursue something more creative. He tried to utilize social capital to advocate for Instagram's original vision, but there were very few original Instagram employees to support it compared to the size of Facebook. Facebook also provided major resources to Instagram, leading to its consistent growth and control over it. In this case, social capital was not significant enough to match Facebook's resources and dominance in the social media industry, including Instagram.

Organizational capital encompasses a company's structure, processes, routines, management, and overall infrastructure. It also includes ownership and control of the company, as well as brand ownership. A brand represents a broad aspect of organizational capital, incorporating elements such as trademarks, quality, customer loyalty, and emotional connections with customers. In the McDonald's case, the founding brothers held organizational capital through their ownership of the brand name and efficiency. However, Ray Kroc built superior organizational capital by restructuring the company from Hamburger University to train workers and positioning himself at the head of the McDonald's Real Estate Corporation. The brothers struggled to leverage their organizational capital or trademark ownership effectively, as the company's size and resources enabled it to outcompete any other "McDonald's" restaurants they might have attempted to establish without selling the name. McDonald's possessed the resources to completely rebrand, applying organizational capital to influence the organization's fate, but it was unsuccessful in offsetting it.

**Hypothesis 5: Offsetting Social Capital with Governance Capital is a Short-term Process, but Unsuccessful.**

Social capital exerts external effects on a company, notably its reputation. When a company becomes highly visible—particularly through platforms like social media, as seen with OpenAI—executives may find themselves

with limited control over public perception. Long-term social capital, which enables employees to collaborate and advocate for their interests, is significantly more impactful and distinct from short-term social capital, which relies on collective commitment from all parties. Those forms of social capital are only effective if everyone jointly commits. Because of the many ways social capital can be leveraged and the varying intensities at which it is used, it may be challenging for executives in a company to control it effectively. Consequently, offsetting social capital with governance capital is often a short-term process; while joint board votes may be readily available, they frequently fail to mitigate the effects of social capital.

Social capital can be influenced by media and public perception. Large companies typically worry about their reputation, especially on social media, because of the considerable attention that media generates and its effects. This is a larger concern for bigger businesses since social media can significantly affect their reputation in a short period. For example, many board members were worried about the company's public image when Adam Neumann was CEO of WeWork because of his wide public visibility. The negative perceptions held by the general public increased pressure on the board to compel Neumann to resign, as it was the only course of action to address the situation. Despite having a public relations department, Neumann's actions negatively impacted WeWork's reputation, and the board could not use governance capital to offset it. This is similar to how the OpenAI board couldn't control the controversy over the firing of Sam Altman and Greg Brockman on Twitter, despite possessing significant internal influence, due to the external nature of social media. Investors can also serve as both internal and external factors. For instance, Microsoft, one of OpenAI's most significant investors, was dissatisfied with the lack of communication after Altman's removal because they were not informed of the decision until the announcement on Twitter. Microsoft's offer to provide Sam Altman a platform was beyond the board's control and not something they had influence over.

**CONCLUSION**

In this article, the research question addresses the conditions under which private equity investing poses risks for founders who have separated from their companies, as well as the types of capital they can utilize to strengthen their positions within the

company. I investigated four distinct types of capital that founders can leverage or depend on for their companies: governance, financial, organizational, and social capital. My findings indicate that the most prevalent forms of capital dependencies are governance and financial capital, which founders often lose control over. Various types of dependencies, such as those related to governance capital, can be offset by other types of capital, including social capital, to achieve long-term success, provided the social capital is fully developed. Numerous research papers highlight the challenges that founders encounter when scaling their businesses, including the need to be cautious about various types of investments from venture capital firms and the necessity of recognizing business vulnerabilities, which are often startup liabilities before the business becomes established with effective systems. However, these studies frequently overlook strategies that enable founders to continue providing for their companies and stay involved while prioritizing their best interests. Founders should be equipped to leverage different types of capital to retain control of their organizations and alleviate potential dependencies during critical development and growth stages.

This paper examines four cases from diverse companies and situations that founders have faced. Notably, only one case provided evidence of how a founder successfully leveraged capital to offset dependencies. Given that the principal contribution of this study is to illustrate how startup founders can leverage capital to maintain control of their companies, I would have preferred to investigate additional cases of successful capital leverages by founders. Three of the companies analyzed occurred in decades where standards for investment types and capital availability were similar, while only one case originated from the 20th century. The study's limitation lies in comparing the resources available to companies and founders at different times. For instance, when Mac and Dick McDonald opened their restaurants, they had much less entrepreneurial expertise than is available today. This shows how various decades have distinct capital dependencies that may become more important. This study could be improved by incorporating more cases involving companies from a wider range of industries and spanning multiple decades, as well as exploring the specific conditions those companies faced at the time. To achieve a more in-depth analysis, it may be beneficial to focus on companies founded within the same decade, which would facilitate comparisons of the challenges faced by startups. In future research, I aim to select

and categorize companies within major industries to investigate how the availability of capital affects their operations and how founders can effectively leverage the capital readily accessible within their specific industries to mitigate disconnections from their companies.

## **ACKNOWLEDGEMENTS**

I would like to acknowledge Andrew Foley for his assistance and support.

## **DECLARATION OF CONFLICT OF INTEREST**

The author declares that there are no conflicts of interest regarding the publication of this article.

## **REFERENCES**

1. Waldron TL, McMullen JS, Petrenko O, Trudell LT, et al. How a distillery founder and his investor went off the rails [Internet]. *Entrepreneur & Innovation Exchange*; 2023 (accessed on 2025-06-08). Available from: <https://eiexchange.com/content/How-a-distillery-founder-and-his-investor-went-off-the-rails>. <https://doi.org/10.32617/875-666312f2ed6ec>
2. Morris M. Adam Neumann gives up most of his voting power and steps down as WeWork's CEO, saying intense public scrutiny of him was a "distraction." 2 execs will permanently replace him. [Internet]. *Business Insider*; 2019 (accessed on 2025-04-27). Available from: <https://www.businessinsider.com/wework-co-founder-adam-neumann-is-stepping-down-as-ceo-2019-9>
3. Metz C. The fear and tension that led to Sam Altman's ouster at OpenAI - The New York Times [Internet]. 2023 (accessed on 2025-05-03). Available from: <https://www.nytimes.com/2023/11/18/technology/open-ai-sam-altman-what-happened.html>
4. Mcfarlane S, Nasralla S. Activist Elliott meets BP investors to discuss more changes, sources say | Reuters [Internet]. 2025 (accessed on 2025-04-03). Available from: <https://www.reuters.com/business/energy/activist-elliott-meets-bp-investors-discuss-more-changes-sources-say-2025-03-21/>
5. McDowell E. How Ray Kroc built McDonald's from a small burger joint into a global fast-food empire [Internet]. *Business Insider*; 2025 (accessed on 2025-04-02). Available from: <https://www.businessinsider.com/mcdonalds-founder-ray-kroc-chain-timeline#1968-the-big-mac-was-added-to-menu-nationwide-6>
6. Loizos C. As Adam Neumann reportedly faces pressure to step down; it's looking like a fight for life between WeWork and Softbank [Internet]. 2019 (accessed on 2025-04-25). Available from: <https://techcrunch.com/2019/09/22/>

- as-adam-neumann-reportedly-faces-pressure-to-step-down-its-looking-like-a-fight-for-life-between-wework-and-softbank/
7. Kwoh L. Investors Demand CEO Face Time [Internet]. 2012 (accessed on 2025-04-02). Available from: <https://www.wsj.com/articles/SB10001424127887324784404578145242728424164>
  8. Kreutzer L. Pressure Mounts on Private Equity-Backed Company Finance Chiefs as Market Shifts [Internet]. 2023 (accessed on 2025-04-03). Available from: <https://www.wsj.com/articles/pressure-mounts-on-private-equity-backed-company-finance-chiefs-as-market-shifts-f0747a29>
  9. Smith R, Kinder T. COREWEAVE tests investor risk appetite with \$7.5bn in looming debt repayments [Internet]. Financial Times; 2025 (accessed on 2025-04-01). Available from: <https://www.ft.com/content/163c6927-2032-4346-857e-8e3787e4babc>
  10. Kaur S. How McDonald's became a real estate company? [Internet]. 2021 (accessed on 2025-04-02). Available from: <https://thestrategystory.com/2020/09/24/mcdonalds-real-estate/>
  11. Kamps HJ. Startups, if your CEO isn't running your fundraising, you're doing it wrong [Internet]. 2022 (accessed on 2025-03-15). Available from: <https://techcrunch.com/2022/08/10/ceo-fundraising/>
  12. What is knowledge capital? why is know-how important for economic development and growth? [Internet]. 2023 (accessed on 2025-05-08). Available from: <https://www.tutor2u.net/economics/reference/what-is-knowledge-capital-why-is-know-how-important-for-economic-development-and-growth>
  13. Kabir SR. Who invented mcdonald's? the story behind the Fast Food Empire [Internet]. 2024 (accessed on 2025-04-02). Available from: <https://historycooperative.org/who-invented-mcdonalds/>
  14. Ian. Sam Altman's approach to company culture and Team Building [Internet]. Pressfarm; 2025 (accessed on 2025-03-30). Available from: <https://press.farm/sam-altmans-company-culture-team-building/>
  15. Ha A. What happened after Instagram's acquisition [Internet]. Medium; 2020 (accessed on 2025-04-16). Available from: <https://alex-ha4121.medium.com/what-happened-after-instagrams-acquisition-aec6e84b6536>
  16. WeWork founder Adam Neumann received \$445M payout in exit package [Internet]. Guardian News and Media; 2021 (accessed on 2025-04-26). Available from: <https://www.theguardian.com/business/2021/may/27/wework-founder-adam-neumann-enormous-exit-package>
  17. Stice J. The tragic real-life story of the McDonald Brothers [Internet]. Mashed; 2020 (accessed on 2025-04-06). Available from: <https://www.mashed.com/147897/the-tragic-real-life-story-of-the-mcdonald-brothers/>
  18. Frier S. The inside story of how Facebook acquired Instagram [Internet]. OneZero; 2020 (accessed on 2025-04-16). Available from: <https://onezero.medium.com/the-inside-story-of-how-facebook-acquired-instagram-318f244f1283>
  19. Frier S. Instagram founders depart Facebook after clashes with Zuckerberg [Internet]. 2018 (accessed on 2025-04-20). Available from: <https://www.bloomberg.com/news/articles/2018-09-25/instagram-founders-depart-facebook-after-clashes-with-zuckerberg>
  20. Brand Capital: Brand Capital vs: Financial capital: Understanding the difference [Internet]. 2025 (accessed on 2025-05-08). Available from: <https://fastercapital.com/content/Brand-Capital--Brand-Capital-vs--Financial-Capital--Understanding-the-Difference.html>
  21. Faris J. Disney is playing it safe with sequels and reboots - and investors have questions [Internet]. Business Insider; 2025 (accessed on 2025-03-30). Available from: <https://www.businessinsider.com/disney-movies-sequels-reboots-creativity-originals-bob-iger-shareholder-meeting-2025-3>
  22. Gratton P. Facebook's advantage over other social media [Internet]. Investopedia; 2024 (accessed on 2025-04-20). Available from: <https://www.investopedia.com/articles/company-insights/070216/what-facebooks-advantage-over-other-social-media-fb.asp>
  23. Gelles D, de la Merced MJ, Eavis P, Sorkin AR. WeWork C.E.O. Adam Neumann steps down under pressure - the new york times [Internet]. 2019 (accessed on 2025-04-22). Available from: <https://www.nytimes.com/2019/09/24/business/dealbook/wework-ceo-adam-neumann.html>
  24. BusinessInsights. How the McDonald Brothers Lost their legacy: The untold story behind the fast-food empire [Internet]. Medium; 2024 (accessed on 2025-04-03). Available from: <https://medium.com/@scochy.eminem/how-the-mcdonald-brothers-lost-their-legacy-the-untold-story-behind-the-fast-food-empire-31f6c62e0518>
  25. Davis MF, Huet E, Tan G. WeWork's Adam Neumann resigns as CEO, hoping to salvage IPO [Internet]. Los Angeles Times; 2019 (accessed on 2025-04-22). Available from: <https://www.latimes.com/business/story/2019-09-24/wework-ceo-stepping-down>
  26. Das A, Esterl M, Lublin JS. Buffett pressures Coke privately on compensation plan after publicly abstaining: WSJ | reuters [Internet]. The Wall Street Journal; 2014 (accessed on 2025-07-14). Available from: <https://www.reuters.com/article/us-coca-cola-warren-buffett/buffett-pressures-coke-privately-on-compensation-plan-after-publicly-abstaining-wsj-idUSBREA4002020140501/>
  27. Chaykowski K. Instagram's cofounders resign amid turbulence at facebook [Internet]. Forbes Magazine; 2018 (accessed on 2025-04-16). Available from: <https://www.forbes.com/sites/kathleenchaykowski/2018/09/25/instagrams-cofounders-resign-amid-turbulence-at-facebook/>
  28. Martinez V, Carr R, Slingo J. Stockpickers: Beware of

- companies bearing gifts of generous dividends [Internet]. *Financial Times*; 2025 (accessed on 2025-03-30). Available from: <https://www.ft.com/content/f8c717c3-b39e-4153-ab5c-7bf9ec2fae47>
29. Campbell J. Resource dependence theory (RDT) : EBSCO [Internet]. 2023 (accessed on 2025-07-14). Available from: <https://www.ebsco.com/research-starters/economics/resource-dependence-theory-rdt>
  30. The rise, and fall, of wework [Internet]. 2023 (accessed on 2025-04-25). Available from: <https://bsic.it/the-rise-and-fall-of-wework/>
  31. News B. Investors, especially millennials, have unrealistic expectations about annual returns: Study [Internet]. *InvestmentNews*; 2016 (accessed on 2025-03-30). Available from: <https://www.investmentnews.com/industry-news/investors-especially-millennials-have-unrealistic-expectations-about-annual-returns-study/68064>
  32. Duncan C, Bell A, Harris D, Murphy S, Bigham R. Revisiting facebook's acquisition of Instagram over a decade later - thinglabs [Internet]. 2024 (accessed on 2025-04-20). Available from: <https://thinglabs.io/facebooks-acquisition-of-instagram-a-strategic-move-that-redefined-social-media>
  33. Allyn B. How Openai's origins explain the Sam Altman Drama [Internet]. *NPR*; 2023 (accessed on 2025-05-08). Available from: <https://www.npr.org/2023/11/24/1215015362/chatgpt-openai-sam-altman-fired-explained>
  34. Alexander Sammon Alexander Sammon is a staff writer at *The American Prospect*. Readmoreby Alexander Sammon. Softbank's Blurry Vision [Internet]. 2019 (accessed on 2025-04-1). Available from: <https://prospect.org/power/softbanks-blurry-vision-fund-tech-ipos/>
  35. de Vaan M, Stuart T. Referral triads. *Administrative Science Quarterly*. 2024 Dec 10; 70 (1): 157–93. doi:10.1177/00018392241296140
  36. Katila R, Rosenberger JD, Eisenhardt KM. Swimming with sharks: Technology ventures, defense mechanisms and corporate relationships. *Administrative Science Quarterly*. 2008 Jun; 53 (2): 295–332. doi:10.2189/asqu.53.2.295
  37. Cox Pahnke E, McDonald R, Wang D, Hallen B. Exposed: Venture Capital, competitor ties, and Entrepreneurial Innovation. *Academy of Management Journal*. 2015 Oct; 58 (5): 1334–60. doi:10.5465/amj.2012.0777
  38. Adbi A, Lee M, Singh J. Community influence on microfinance loan defaults under crisis conditions: Evidence from Indian demonetization. *Strategic Management Journal*. 2023 Oct 25; 45 (3): 535–63. doi:10.1002/smj.3558
  39. The OpenAI Founding Story: Sam Altman's unconventional path to AI innovation [Internet]. *Founderoo.co*. 2022 (accessed on 2025-04-04). Available from: <https://www.founderoo.co/playbooks/the-open-ai-founding-story-sam-altmans-unconventional-path-to-ai-innovation->
  40. Risen C. How dreams and money didn't mix at a texas distillery (published 2014) [Internet]. 2014 (accessed on 2025-04-27). Available from: <https://www.nytimes.com/2014/12/28/business/how-dreams-and-money-didnt-mix-at-a-texas-distillery.html>
  41. Pymnts. OpenAI's new corporate structure sets up a tangled legal future, experts say [Internet]. 2025 (accessed on 2025-05-03). Available from: <https://www.pymnts.com/artificial-intelligence-2/2025/openais-new-corporate-structure-sets-up-a-tangled-legal-future/>
  41. Perrigo B. Sam Altman returns as OpenAI CEO. here's how it happened [Internet]. *Time*; 2023 (accessed on 2025-05-3). Available from: <https://time.com/6338789/sam-altman-openai-return-timeline/>
  42. Mulcahy S. Unlocking organizational capital: 5 essential insights [Internet]. 2024 (accessed on 2025-03-30). Available from: <https://enboarder.com/blog/organizational-capital/#:~:text=Organizational%20capital%20is%20important%20for%20companies%20because,minimize%20waste%2C%20reduce%20costs%2C%20and%20increase%20productivity>