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First Friday Lunch and Learn

8th January
12noon - 1pm

Join us for **Christmas Drinks**
Friday 11th December
6pm-7.30pm



Financial Advisory Firm First to Enter Employee Ownership

Montrose based Gill in expert Pensions, The employees Financial, is now owned Investment & Mortgage welcomed the news by its employees in a advice. Roy had initially with enthusiasm move to preserve the wanted to pass his firm Bev Waterson was firm's independence on to his son, Tayler, who appointed as Employee and ensure continued joined Gill Financial in Trustee. "We are delivery of high levels of 2017 and is nearing full delighted that Roy has service to the practice's qualified status. Selling to chosen this route. It's clients. It is believed that an Employee Ownership great news for us and Gill Financial will be the Trust works for everyone; for our customers. Gill first Financial Services Tayler stays with the firm Financial is like being firm to join Scotland's and the company has a part of a family and it's rapidly increasing stable ownership model so reassuring to know number of employee-owned businesses. for the future. the EOT will maintain that."

Roy Gill worked with various Insurance employee ownership Prior to moving to companies, then employee ownership, the transaction had following redundancy model allows me to be approved by from Prudential in 2000 pass the value in the the Financial Conduct he set up Gill Financial to business to the staff and Authority. This was reinforce our strong, value driven culture achieved in a relatively service to individuals and whilst our Clients will straightforward process. businesses in the North see no change to service or costs."

(Continued)

Retaining the firm's and the customers ownership in Montrose can end up paying was a key driver higher charges for their in Roy opting for a ongoing service. The sale to an Employee employees and clients Ownership Trust. made Gill Financial the He explains "Often success it is today. I smaller, independent owe it to them to do my IFAs are swallowed up best to make sure that by consolidators. The continues as is with no ways of working change change."

Lindsays provided great experience given legal advice on the their expertise and they transaction. Douglas made the transition very Roberts, Director, says, smooth. Gill Financial now has a secure and "It was a pleasure to help bright future and their Roy and the team at Gill customers have the Financial in their move the comfort that the culture to employee ownership. and standards of the Working with Ownership company will remain Associates is always a the same."

Clansman Dynamics

Since 2006, it has not been a legal requirement for private companies to hold an Annual General Meeting (AGM). However, many employee-owned businesses have this requirement enshrined in their articles as a key component of good governance. For these companies, the AGM is a powerful reinforcement to the employees are the owners of the business and the company's board report on the past year.

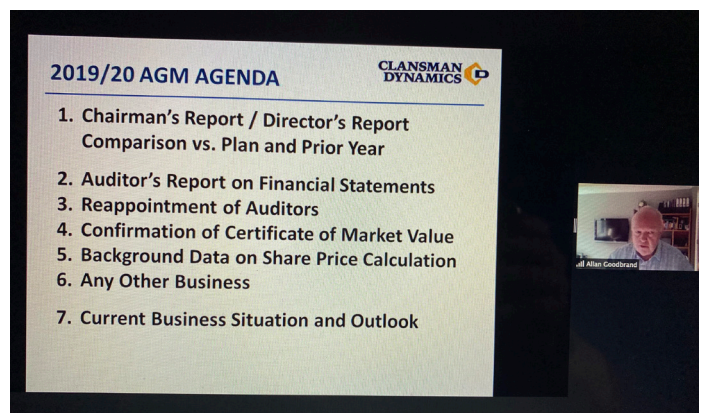
It was a real privilege to attend Clansman Dynamics AGM in November. The company has held AGMs since moving to employee ownership in 2009. Due to the current situation, this was their first "virtual" AGM. Almost all of the 56 employees attended, either from the East Kilbride factory or from their homes. One employee tuned in from Australia (muted when he complained about the

sunshine!) and another joined from customer premises in France.

The company's chairman, Allan Goodbrand, talked the employee owners through the accounts and explained the various motions and resolutions on which they were required to vote. Despite the challenges of Covid 19 the company has turned in a good performance and it was interesting to note that the value of the business has more than

doubled since the move to employee ownership. It was also announced, to great acclaim, that Sandy MacDonald was formally confirmed as Managing Director.

Once the formal content was concluded, Allan led a discussion on the outlook for Clansman in these uncertain times. The message was that the pipeline is looking healthy but a concerted effort is



needed from everyone regarding delivery dates. to ensure the company maintains its position. There followed a lively discussion on different events throughout the year. The Q&A session covered a wide range of topics; the impact of Brexit, the management of international agents, the importance of maintaining quality of product and installation, and the need to be realistic with customers

It was an informative, energising event, chaired superbly by Allan Goodbrand. Well done to the Clansman employee owners for such a good performance.

The January edition of Ownership Matters will feature an article from Allan on the effective running of AGMs.

OAUK News

Lots to read in this month's edition – huge thanks to everyone who submits articles. Circulation is now over 700 for the newsletter with another 1100 views on Linked In. I'd thought if 50 people read it then it was worth doing!

The good news in November is the announcement of a vaccine for Covid19. That's not employee ownership news but talking to a number of employee owned businesses, they are reporting that there is already a lift in confidence for business. Several are reporting that they are finishing the year in a stronger position than they thought possible, going into 2021 with a brighter outlook. It's remarkable how few casualties there have been in Scotland's employee-owned

What I have heard is stories of people pulling together and putting every effort into protecting each other and the business. Of course, some companies have delayed their plans to move to employee ownership due to the demands of dealing with the pandemic. I had anticipated completing 20 transitions this year whereas it is more likely to be 14. The remainder will happen in the New Year and there is still a constant stream of new enquiries.

We are lucky in Scotland to have bodies dedicated to promoting employee ownership as a business model and Angela Wardrope of CDS provided some more information on their current campaign. Yogi Johnston's contract with Scotland for EO has



come to an end but the good news is that she will be working for the Employee Ownership Association. All the best, Yogi!

First Friday meetups are going well and It's certainly a highlight of my month to talk to employee-owners around the country. It's a welcome change from poring over legal documents and spreadsheets! We decided to postpone

January's session to the second Friday – we didn't think a Ne'erday

session would attract a good attendance! I am looking forward to seeing as many employee owners as possible for our Christmas drinks on 11th December 6pm – 7.30pm. Get in touch for the Zoom link.

Have a lovely Christmas and I wish you a 2021 full of joy and success.

- Carole



Cracking Year for Stewartry Care



Dumfries & Galloway they put in place for based Stewartry Care their service users- a held their AGM this responder scheme week and it was a very ensures emergency different affair from care when required and their usual. In normal the company has run a times, the company's number of outings and AGM attracts a high get-togethers for the percentage of the 90 people they look after. strong workforce, and is combined with an annual This year's event was awards ceremony and very different, taking refreshments. Many place over Zoom. care workers don't get Managing Director, to see each other very Debbie Cochrane, often and it's a great reported that this was the opportunity to meet company's best year yet colleagues. in financial terms, yet one of the most challenging

The company became for the staff as they employee-owned in worked around the 2004 and has won Covid restrictions. This many awards for the financial success has high standards of care enabled the company delivered. Stewartry is to set up a hardship also renowned for the fund for staff unable to innovative initiatives work due to illness or

caring reasons, and also a great place to work, allows them to invest in with a real feeling of all some equipment that being on the same team will enhance the lives of no matter what people's some of the service users. job role is.

In addition, there will be an employee ownership Debbie wound up the bonus for all qualifying AGM telling people employees. Recognising that it was a pity there would be no awards the magnificent efforts ceremony this year, as of all staff, employees so many service users with less than 6 months' and their families had service who don't qualify expressed appreciation will receive a gift from of the service received. the company. The She thanked everyone employee shareholders for giving so much to were also pleased to the company, keeping hear that the share people safe and well value has increased and looked forward to significantly. finding a reason to bring

Attendees reinforced everyone together next that Stewartry Care was year.



November's Trustee Training: Maeve Wright reports



Last month, we hosted the first virtual Ownership Associates Trustee Training Session which focussed on the role of the trustee in an employee owned business. This led to some interesting discussions around the importance of trustees being fully informed about their role.

Maeve Wright highlights some of the takeaway points for trustees below.

The role of the EOT Trustee

In an employee owned company, the trustees of the Employee Ownership Trust (EOT) play a pivotal role.

When a business moves to employee ownership, shares are transferred into an EOT, which is established by a trust deed. The Trust sits independently to the company and is managed by the trustees.

The trust deed will set out the trust purpose, how trustees are elected, how decisions should be made and the full extent of the trustees' powers.

The trustees effectively take on the role of a majority shareholder and are tasked with safeguarding the success of the business for the long term benefit of the current and future employees of the company who are the beneficiaries of the trust.

The company structure – where do the Trustees fit in?

Typically, an employee owned company will have three groups of people working collectively to promote the success of the business:

- the board of directors
- the management team; and
- the trustees

Each of the above has a different role, however, they are intrinsically linked.

The board of directors sets business goals, allocates resources and pursues the success of the company.

The board of directors directs the management team who, in turn, ensure the commercial success of the company by managing the day to day operations and ensuring that employees are happy in the work place. The management team report back to the board of directors.

The board of directors are held to account by the trustees, who are tasked with safeguarding the long term interests of the employees. The trustees must therefore ensure that the company is being run as well as it can be, aligned with the stated purpose of the EOT.

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The trust purpose

It is important that trustees familiarise themselves with the content of the trust deed and in particular the trust purpose articulated within it.

The trust purpose is unique and tailored to each company and usually captures the 'spirit' of the company. The trust purpose can mention things such as financial success or profit, but often also stipulates factors such as being a good place to work, being a leader in the field, being committed to training, remaining local or preserving independence.

Trustees, when carrying out their duties, should keep the trust purpose in mind. It is a useful tool for the Trustees to use to assess the performance of the Board of Directors and to hold them to account. Keeping the trust purpose at the forefront of discussions can help to structure the content of trustee meetings and ensure that the Board of Director's remains focussed on what the stakeholder's value.

Top tips for Trustees

With the above in mind, trustees should aim to:

- Develop clear lines of communication between trustees, the management team and the board of directors.
- Familiarise themselves with the trust deed and in particular the trust purpose.
- Always act in the best interests of the beneficiaries as a whole and remember that the class of beneficiaries includes not only the current employees of the company but also future employees.

A trustee may find themselves facing difficult decisions, however, clarity about the role and knowing the purpose of the trust is the best tool trustees can use to ensure they are equipped to deal with this.

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January Trustee Training

The next session will run on Friday 22nd January 9.30am – 11.30am. Trust deed, fulfilling the Trustee role. 10.30

Following feedback, we have decided to change the format slightly. The session will run in two parts.

Part 1: Information giving – legal duties of trustee, responsibilities, the report on

Part 2: Case Study – group work on a trustee dilemma in an employee-owned company. All groups work on same case study, come together to discuss the report on



Everyone says this is tremendously useful.

You can join for both parts, or if you have already attended Part 1 or a previous session, you're very welcome to join only for Part 2.

To register, email:

carole@ownershipassociates.co.uk

New Appointments

Congratulations to the following employees who have been elected by fellow employee owners.

ERS Remediation

Georgina Wilson- Stewart was recently elected as Trustee for the ERS Employee Ownership Trust.

Georgina is a Senior Remediation Engineer with ERS, based in Bishopbriggs. ERS are land reclamation experts, delivering innovative solutions to the identification, assessment and remediation of

contaminated soil and groundwater in the UK. The company started in 1994 and became employee-owned in 2016.

Georgina has been with ERS for 14 and a half years and her role encompasses overall responsibility for managing all aspects of the delivery of remediation projects and ensuring they run smoothly. Her duties include Project management – visiting sites to ensure that sites are running to plan, organising labour and plant and liaising with clients.



Georgina Wilson-Stewart
Senior Remediation Engineer



Jill Dobie
Stewartry Care



Gary I'Anson
Stewartry Care



Fiona Whitby
Stewartry Care

Stewartry Care

Elections to both the Company Board and the Employee Trust mean three new appointments at Stewartry Care. Stewartry Care has

been employee-owned since 2004 and is based in Dalbeattie, providing care services to the communities in Dumfries and Galloway.

Gary I'Anson and Jill Dobie were elected to the Company Board as Employee Directors. Garry is a Field Supervisor and Jill is a Planner/Coordinator. Fiona Whitby

was elected as Trustee. Fiona is Quality Assurance Officer.

Meet The EOB



“We might be an IT company, but we are in the relationships business”

- Sean Elliot, Founder, Network ROI

In this instalment of our regular series introducing Scotland’s employee-owned firms, we meet Network ROI, the Edinburgh based IT Managed Services Company that became employee-owned in 2013. Training and Development Manager, Greig McKenzie, tells how the company takes a unique approach to developing the employee-owners.

Greig describes Network ROI’s approach to training and development from a comment made by Sean Elliot, the Chairman and founder of Network ROI who said, “We might be an IT company, but we are in the relationships business”. Greig went on to explain that what Sean meant by that was that it’s not worth burning a client relationship over a short-term profit if by doing so you lose that customer’s hard-earned trust. So, when Greig trains employees he talks about the firm’s values-based culture and the importance of building trust with clients.

In a practical sense when Greig is training new staff on Network ROI values, he feels the soft skills matter as much as the technical qualifications. “I tell engineers to always do what they say they will, and how important it is to own a problem.” When talking about how to treat customers Greig explains the importance of being down to earth, yet professional, when engaging with customers “we should talk to people like real people”

Greig believes the Network ROI culture differs from other companies. “As an employee-owned company and as a more flexible organisation, I like to think that when we hire someone we look at the whole person and what they have to offer,



rather than pigeonholing them. I like to think staff feel they can approach the board and senior management, we have a relatively flat hierarchy, so senior management is on hand to listen to the entire workforce.”

There is no blame culture at Network ROI. Greig says “Issues that come up are a learning exercise, a springboard for improvement, we can all learn from our mistakes. We have a value-driven one team approach to our culture, and our staff are empowered through Employee Ownership.”

Greig is passionate about continuous learning and lifelong education at Network ROI “We are focused on continual process improvement right across our business through aligning ourselves to best practice in ISO management system standards in Quality Management, Information Security Management and Service Management. As our business is constantly evolving and improving, so must we. Lifelong education is important to Network ROI, so when someone wants to pursue a course of study, we do our best to satisfy that wish. This will sometimes involve training someone not for the role they currently occupy, but for the role they are aiming for. One of the joys of working in a smaller organisation is the ability to evolve your role over time – I believe I’m testament to that!”

Working Remotely

Last March, Network ROI’s employees shifted from working in offices to working from home (WFH) due

(Continued)

to the COVID-19 pandemic, traditional, classroom-based training at Network ROI stopped — yet our business operations clearly had to continue.

Network ROI evoked its well-rehearsed business continuity plan, so it was relatively straightforward for the workforce to move to fully remote working during the lockdown. But when days became weeks it was important that everyone stayed in touch. Said Greig, “For me personally it was a big help to have remote staff meetings and interact with my colleagues. I missed the banter and it was a good feeling when people approached me during and after lockdown”.

Network ROI’s secret of success is the strong shared purpose. Nobody is just an employee, everyone is an employee-owner. With a strong culture and an emphasis on training, there is a strong belief that people are the greatest asset. The company looks after its people, so they’re ready to look after the customer. Working with Network ROI, you have a UK-wide team of technology experts available to help with strategy, give you feedback on your plans, and guide your business growth. You’re getting more than an “IT person”—you’re getting a strategy team.

EO First Friday & Christmas!



First Friday

December’s First Friday saw a very interesting discussion- and some healthy disagreement- on the topic of EOT bonuses. We also found out a wee bit more about Scotland for EO and Tom from Collective Architecture and Rachel from Aquascot promised to tell us more in a future First Friday. We also talked about Trusts and the ICO.

NEXT FIRST FRIDAY
JANUARY 8th 2020
12noon – 1pm.

Email carole@ownershipassociates.co.uk to register

Christmas Drinks

Join us for Christmas Drinks on Friday 11th December anytime between 6pm and 7.30pm to meet other employee owners. We’ll talk about the highlights of the year (there have

been some!) , hopefully I’ll be able to talk about some new EOBs and we can share ideas and thoughts on what we would like to see next year. All welcome – bring your own tipples and nibbles! Christmas jumpers optional

Friday 11th December
6pm – 7.30pm .

Email carole@ownershipassociates.co.uk for the link to join.

First Friday
Lunch and Learn

8th January
12noon - 1pm

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CDS Launches New Campaign to Showcase the Role Employee Ownership Can Play in the Recovery of the Economy

Co-operative Development Scotland (CDS) has launched a new campaign to showcase the role inclusive business models, such as employee ownership, can play in supporting the Scottish Government with its aim to create a fairer, stronger and more democratic economy, particularly following the COVID-19 pandemic.

Head of Co-operative Development Scotland, Clare Alexander, said: “While discussions on the social aspects of the economy have become more vocal in recent years, COVID-19 has undoubtedly fuelled its relevance and urgency. The world has been shaken, many of our norms have been questioned and there is a desire not to return to life as before. Business leaders have prioritised wellbeing, communities have responded to help and support each other and new and innovative ways of being economically viable have come to the fore. There has also been a focus on a collective, rather than individual, call to action.”



This approach to business is at the heart of the Scottish Government’s Programme for Government, which recognises the critical benefits of Community Wealth Building - a people-centred approach to local economic development which redirects wealth back into the local economy and places control and benefits into the hands of local people. Employee ownership is an effective example of plural ownership, one of the five pillars of Community Wealth Building deemed integral to effect the necessary change for local communities and national wellbeing.

Clare Alexander continued: “Evidence shows employee-owned businesses consistently outperform in terms of improved business resilience during times of economic crisis. They tend to be

more productive with higher levels of staff engagement and wellbeing, particularly relevant during a time in which people are spending more time working from home.



“Whilst employee-owned businesses have experienced many of the same challenges around job retention, cash flow and uncertainty as others during the pandemic, they are often more resilient, putting them in a strong position to either weather the economic storm or to recover well afterwards. During the initial response to the pandemic many of these businesses were able to unite behind a common goal, helping their ability to adapt and innovate during the crisis.”

The employee owners at Highland Home Carers, the Highland’s leading home care provider and Scotland’s largest employee-owned business, used its employee-owned status to support the staff financially through the crisis via pay increases, a profit share pay-out, an enhanced sick pay programme and a share buy-back scheme. It also introduced an Employee Assistance Programme in which staff can access a range of support services including the use of physical and mental health professionals.

“We are enormously passionate about employee-owned businesses and their contribution to both the communities and sectors in which they operate as well as the wider Scottish economy. The economy needs to have the best possible chance of recovery, with businesses that can be resilient, adapt and offer a fairer more inclusive economy. We know there is a significant role for employee ownership to play in helping to build back better and would urge any business owners reviewing their options to consider finding out more.”

Watch CDS’ video featuring EO specialists, including Ownership Associates UK’s Carole Leslie and EO businesses such as PagePark, Merlin ERD and Woollard & Henry, discussing employee ownership and its role in rebuilding the economy post-COVID-19 here: <https://bit.ly/2UTE4cM>