



South West

EOA Regional Network Meeting Notes

Regional Network Meeting: South West

Host: TLT LLP, Bristol

Date: 21 June 2018

Facilitator: Garry Davis

EOA Update - Oliver Smith and Harvey Fremlin

- Oliver updated us on EOA activities that have or are due to take place including EO Day, The Ownership Dividend, EOA Annual Conference and UK EO Awards 2018. Harvey outlined his role on the Membership Council and its activities in its first year
- Members shared EO day plans with each other. We look forward to hearing more about the axe-throwing and cider event planned by one organisation! Other activities include 1st profit sharing and employee owners creating podcasts
- Presentation slides uploaded

Governance - Ben Watson TLT LLP, Andrew Radford & Gwen Vonthron (Sawday's)

- Governance structures and functions in an EO business. Presentation from Ben with contributions from Andrew and Gwen (Sawday's Chairman and EOT Trustee) on their approach to setting up the bodies that help to run the business. Clarifying roles and purpose. Followed by an opportunity for us to explore the strengths and challenges of governance; how we engage the various functions to inform, coordinate, inspire and challenge in taking the business forward
- Highlighted confusion that can exist between EOT and executive boards. Important to communicate differences and ensure understanding in the business.
- The role of the Employee Council and the challenge of communicating and engaging sufficient numbers of employees to stand for nomination; a surplus of candidates gives the opportunity to engage all in an election. Continues to be a work in progress
- EOT role outlined (refer to slide). Always mindful that the Exec Board run the day to day business
- Members held round table discussions to consider topics raised in the context of their own circumstances. Followed by feedback on the discussions and a q&a session
- Presentation slides uploaded

Open Space – Following lunch and networking, discussion topics were suggested and determined by those present. Members were free to move around tables and topics throughout the session.

- ❑ **How to establish and maintain positive engagement with established and employees joining the business (new owners!)**
 - EOA could construct a framework starter pack
 - Expectations of employee owners can be communicated in recruitment literature and act as a filter when attracting candidates.
 - Buddying up with advocates and meeting with reps from various bodies
 - Resource hubs and information walls
 - Differentiator in a competitive market
 - Risk of diluting culture and knowledge
 - Communicate stories and business vision.
 - Give opportunity to have direct meetings with business leaders

- ❑ **Valuing a business in an EO sale**
 - Just like any other trade sale.
 - A negotiated sale and value - can benefit from independent mediation and input
 - Internal due diligence functions including employee representatives unlikely to be in place at the time value is negotiated
 - Questions raised around liabilities (insurance?), warranties, indemnities, performance related valuations, circular valuation of cash surplus, divergent shareholder views.
 - Should employees be made aware of valuation?

- ❑ **Information sharing – the power of knowledge. Striking the right balance in what is shared**
 - Much discussion around transparency; what this means, its value and importance in the eyes of employee owners
 - Information needs to be in a format that is easily digested and readily understood
 - Informed individuals are better able to influence and take day to day decisions that affect and benefit the business
 - Education is critical

- ❑ **Should they stay or should they go? The role of the owner/founder when a business transitions to EO**
 - Depends if owner retaining shareholding
 - Important that they have something to go to - a new role or activity/purpose. ‘Pulled towards’ rather than ‘pushed out’
 - Clarity around responsibilities and the end goal
 - What will you be contributing?
 - If still involved, where does the challenge come from?

- Benefits of employees feeling 'EO' if owner steps away?
- Can be involved in training/mentoring others

❑ **EO Hub**

- Harvey accessed the online EO Hub, highlighting how we can use this vehicle to continue discussion on themes raised in this meeting and how we can encourage colleagues to get involved

❑ **Future Meetings**

- We need your input! Host venues , speakers and suggested key themes - Garry and Oliver would be delighted to hear from you.