



South East

Host: RSM, London

Date: 04/06/2018

Facilitator: Jamie Pyper, Conscious Business People

Meeting Notes

A great turnout again for a Monday night, with 70 people signing up. Our hosts, Fiona Bell and RSM once again pulled out all of the stops by giving us a great space with views across the city, excellent refreshments and a warm and welcoming atmosphere.

Given the success of last quarters format change, we thought we'd go again. So we opened with some warts and all case studies about engaging and effectively utilising trustees, from two radically different sized and established EOA members, Tim Hurstwyn from the Useful Simple Trust and Ian Hiscock from John Lewis Partnership. Followed by some Q&A.

The slides from the session accompany these notes.

After this we moved into some facilitated networking led by Jeremy Gadd to help break the ice a little and seed the creation of new relationships.

Next came Oli from the EOA and news of the many developments and forthcoming events from the EOA, including;

- The Ownership Dividend launch and report
- EO Day 2018 – what are you planning??
- EOA Conference 2018 – you can now book your tickets!!
- UK Employee Ownership Awards 2018 – you can start your submission and apply!!

Laura Cooke from Make shared the achievements in the first year of the Membership Council – members are encouraged to connect with the Membership Council on the EO Hub and tap into their experiences in employee ownership.

We then moved to the regular open space segment where a broad selection of issues were discussed, namely:

- How to embed the employee owned culture right from the start of your company
- How to help people wear the hat of ownership
- Best practices for hiring external trustees
- Selecting the right trustees for the job
- Strategies for ensuring the employee voice is real
- The challenges of becoming an EO Company if you are small (15 to 20 people)

Open Space – the following notes were taken by the individuals taking part in these group discussions.

Supporting employees to wear the ownership 'hat'

- Upskilling employees in order to understand the company finances &/or upskill the finance team to communicate clearer information to the employees.
- Accept that sometimes people do not ask to be employee owners.
- Have an insightful explanation at the recruitment and employee induction stages about being an employee owner.
- Promote the opportunity of EO Day and other activity that links to your employee owned status, for example attending EOA events and accessing the EO Hub.
- Open up strategic decisions for the views of employee owners.
- Ensure understanding of the rights and responsibilities of being an employee owner.

The role of elected employee representatives

- Should an employee elected representative be the voice of the employees and seen as a conduit between the employees and Senior Leadership?
 - Employee voice should happen naturally in open organisations
 - Elected representatives should bring the employee opinion but the Senior Leadership should feedback the decisions.
 - Expectations needs to be managed of all employees as to the strategic and operational decisions that they may be involved in – employees then understand where they have a voice.
- Levels of influence and governance structure – should an elected employee representative sit on the Main Board?
 - Sitting on the Main Board as a personal development opportunity for the individual.
 - In some cases where attending Main Board meetings, the opinion of the employees is asked but it has no influence.
 - Best practice is for those considering the role to attend Main Board meetings in order to fully understand what is involved.
 - Alternatives to employee representation on the Main Board can be set-up to gather employee opinion and create means of two-way communication that doesn't just pay 'lip service'.
 - Consider how much influence Founders who are retaining interest in the organisation, are comfortable in releasing.
- The topic of electing or selecting employee representation was mentioned but no time to discuss.

Strategies to ensure employee voice is 'real'

- An Employee Forum;
 - with clear roles and responsibilities that are understood by all in the organisation
 - made up of elected representatives
 - a suitable tenure, eg 3 years
 - limit involvement from the Senior Leadership
 - elected representative on the Main Board
 - training for the group
 - needs to have power and influence
 - minuted meetings and not just a social committee
 - consultation is needed and then to see action on their points raised

The engagement of External Trustees to join an EOT trust board

1. Why have them...

(A) Useful Simple Trust are a few pages ahead in the EO book has them and he seemed to value them so thought it is worth a closer look

(B) Another EOA member thought like me that an External Trustee might be a bit more challenging to the Board of Trustees and Board of the company during good times – i.e to avoid complacency, i.e to create a little more scrutiny and challenge in the good times as well as being supportive through challenging times

(C) John Lewis don't have external Trustees but do have Non Exe Directors that serve the similar if not the same role in that they bring an 'outside' independent judgement to bear on issues of strategy, performance and resources and general conduct and governance .

So maybe if you have a Non Exe Director the need for an External Trustee diminishes?
Amongst the group External Trustees were generally recognised as a good thing to have.

2. Where to find them...

This lead to a lot of discussion about how the EOA might possibly help by having a pool of potential External Trustees that members could invite for opinion.

This could be fee based but there was an idea that it could be organised regionally and be a reciprocal arrangement whereby a member may offer 15 to 20 hours a year and they get a credit of inviting others in the pool to provide 15 to 20 hours of consultation.

There was discussion about personal networks and some possible cynicism about the MD's mates being asked to join the Trustees and so do you recruit via agencies or not. Inconclusive during our discussion.

3. What to pay them...

The consensus was they should be rewarded but also an EOA reciprocal arrangement may take some cost out of engaging an external trustee particularly for smaller business.

4. What profile should they have...

This largely depended upon the business status and board make up currently existing. Things for consideration that weren't ranked but I have subjectively (from the basis of the discussion) listed them in order here;

- Understanding of EO business
- Understanding of the role of Trustees
- Commercial and financial management awareness
- Market sector knowledge
- Legal and corporate governance knowledge

All attendees are encouraged to continue the conversations via the Forum on the EO Hub, in order to attract the views of other members across the network.

We closed with networking, snacks and fine wine.

Jamie is requesting input for future sessions or from anyone who would like to be involved in the growth and development of the South East Network. His contact information is jamie@cbp-uk.com or 07769 882245. Also, if you have any questions or ideas, please get in touch.

Next meeting will be in hosted by RM2 at One Alfred Place, Fitzrovia in London on 25 September. You can book your place via <http://employeeownership.co.uk/events/>

**Don't forget you can continue your discussions in the
Forum on the EO Hub!!!!**