

Welcome to

Employee Ownership Association Annual Conference 2017

Where employee ownership meets

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Advice Investment Growth

How we can use EO to give us a competitive advantage - and make us more robust during challenging times

Managing the tough times and using your employee ownership status to create a resilient business

BE INVOLVED, BE INFORMED, BE INSPIRED

Welcome

Presented by David Hunter – Stride Treglown

Facilitated by Michael Slade – MSS Associates

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Our aims today..

- To share experiences of the impact – and benefits – of employee ownership through challenging times
- To understand the key learnings from those experiences – both from the Stride Treglown Case Study and from others in the session

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Agenda

- Introductions
 - Who are we?
 - Who are you?
- Case Study – a leading architectural practice
- Questions and discussion
- Summary

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STRIDE TREGLOWN

Architecture
BIM & digital design
Building surveying
Graphic design
Historic building conservation
Interior design
Landscape architecture
Masterplanning and urban design
Principal designer
Project management
Sustainability
Town planning



STRIDE TREGLOWN

Some facts about us...

Employee owned practice since 2015

162587

shares owned outside the board of directors

£22m turnover in 2016

£22,000,000

Nine offices across the UK



325 people



Expert Revit BIM users with ten years experience



Since 2009 we have reduced our carbon footprint by 40%



80% of our work comes from repeat business



First UK organisation to achieve

“EXCELLENCE”
★★★★★



in ALL 8 areas of the Workplace Wellbeing Charter

STRIDE TREGLOWN

Some background...

Owner managed
Gradual growth
Fourteen directors
No borrowings



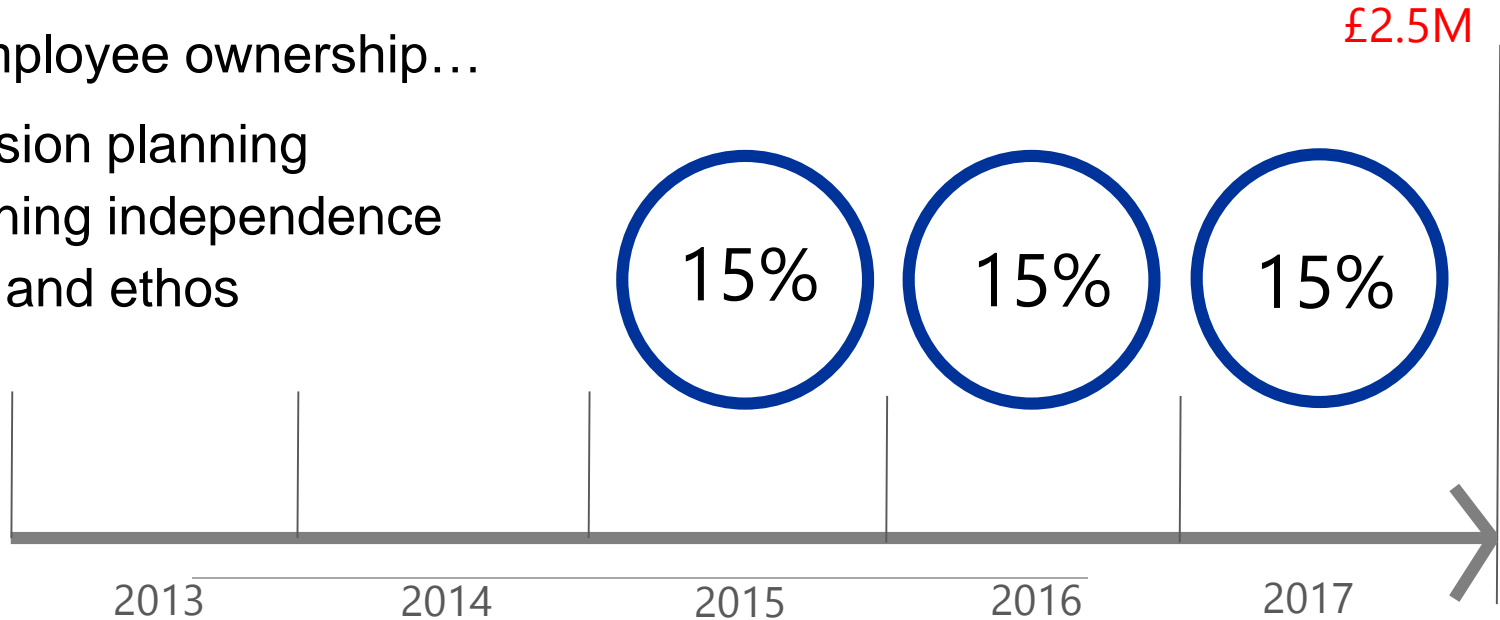
STRIDE TREGLOWN

Why employee ownership...

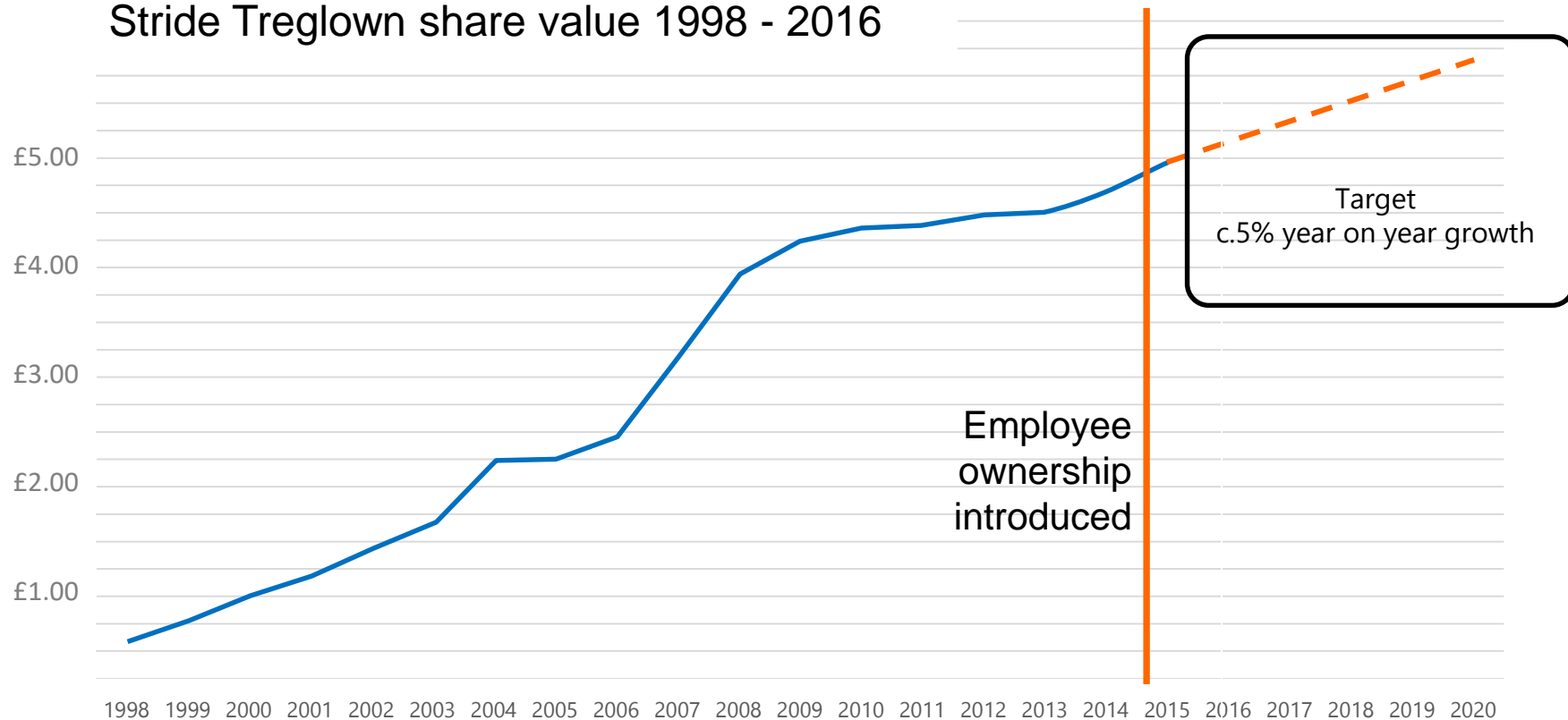
Succession planning

Maintaining independence

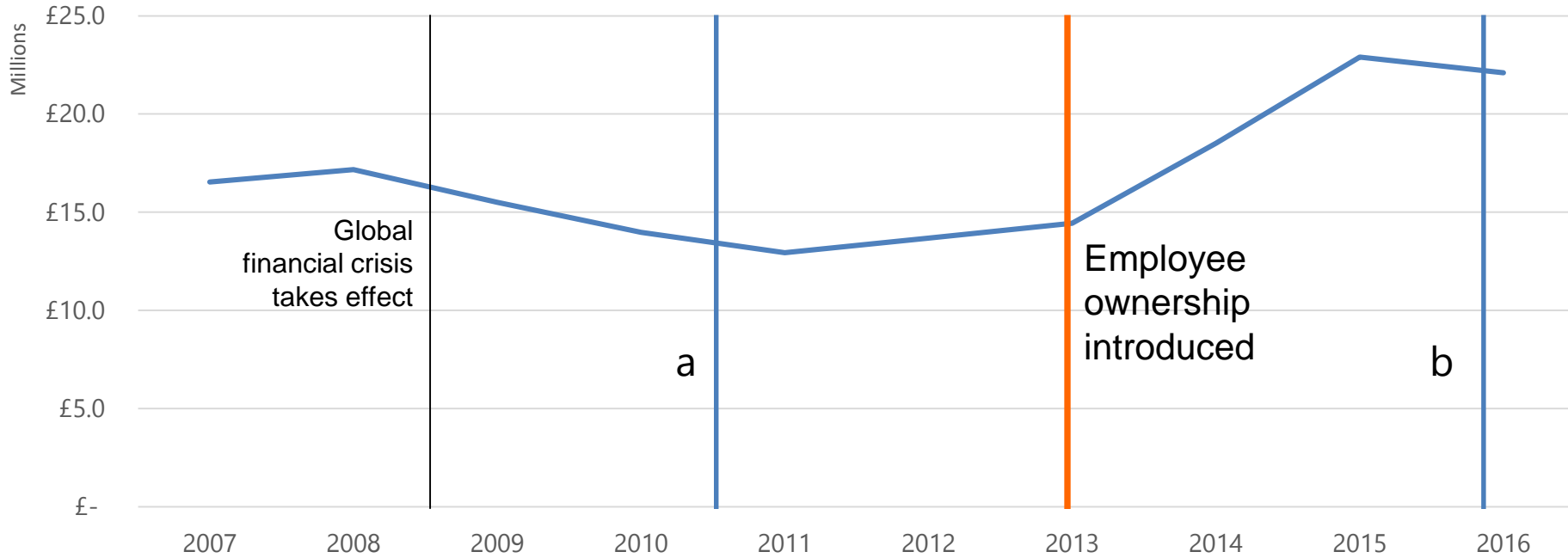
Culture and ethos



Stride Treglown share value 1998 - 2016



Stride Treglown gross turnover 2007 - 2016



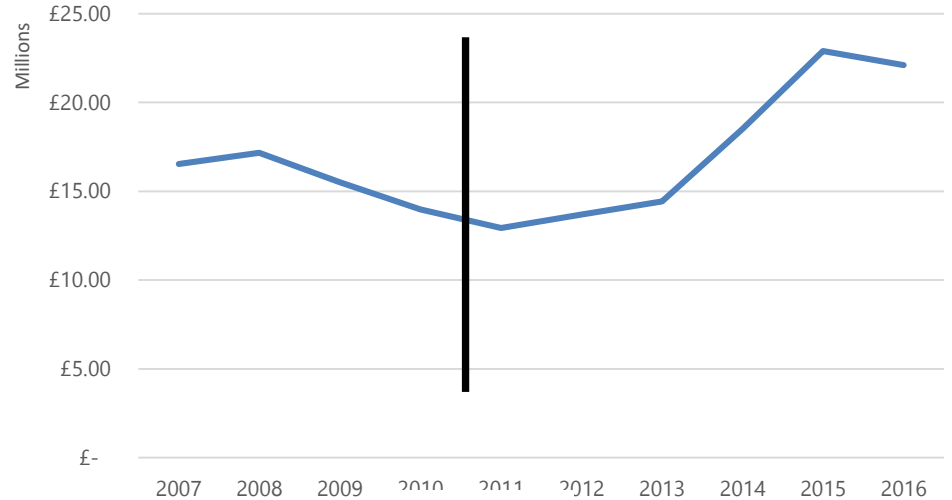
2010

Falling turnover
Marginal profitability
Construction industry in recession



'Conventional' response to managing costs

Stride Treglown gross turnover 2007 - 2016



2010

10% salary cut across the board
redundancies - selection process
employee consultation committee



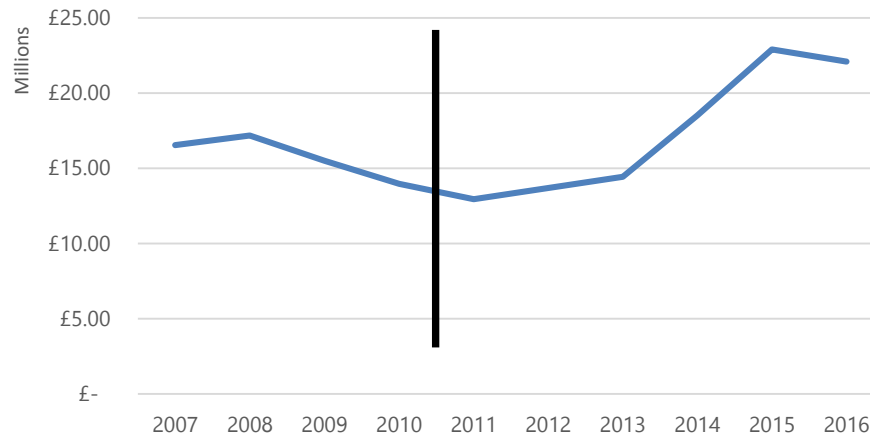
Target savings achieved, but...

Loss of trust

Drop in morale

'Them and us' culture

Stride Treglown gross turnover 2007 - 2016



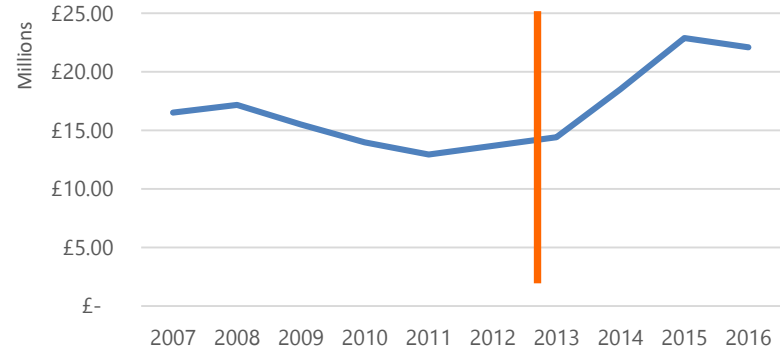
2013

EMPLOYEE OWNERSHIP introduced



- Improve communications
- Share information on company finances
- Concentrate on culture
- Manage more flexibly

Stride Treglown gross turnover 2007 - 2016



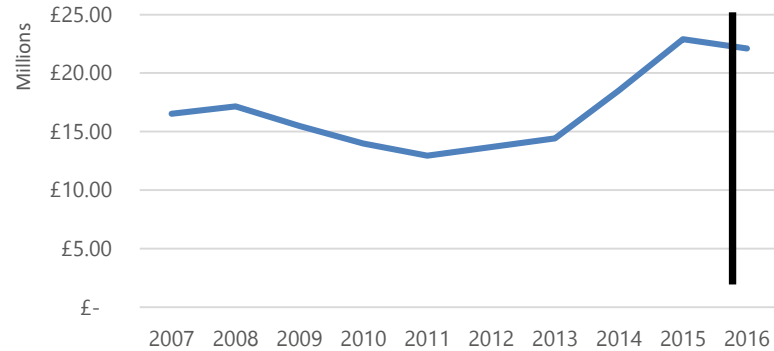
2016

Falling turnover
Good profitability
Brexit uncertainty



Explain circumstances to staff
Ask for voluntary measures and ideas
Direct discussions between board directors and individuals

Stride Treglown gross turnover 2007 - 2016



2016

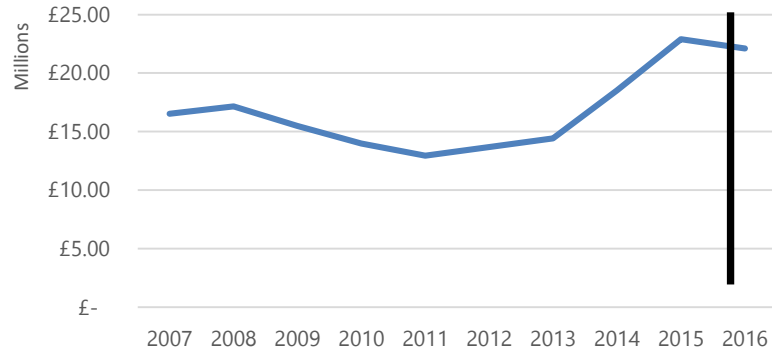
8% savings sought: 11% offered



Reduced hours working
Sabbaticals
Early/phased retirements

NO REDUNDANCIES

Stride Treglown gross turnover 2007 - 2016



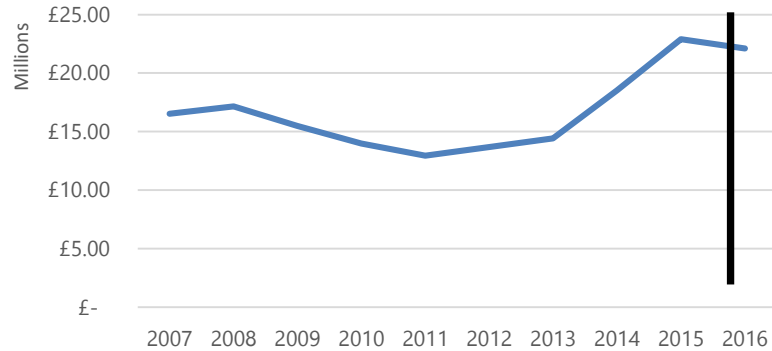
2016

...but beware



Make sure the message is proportionate
Be prepared for unplanned departures
Make allowances for more complicated resource management

Stride Treglown gross turnover 2007 - 2016



In summary...

- Succession planning was a key driver of the move to EO
- EO supported continued independence and the right culture
- Share value growth had flattened in the post 2008 period
- Experience has highlighted the 'EO difference' in handling reductions in cost base
- Will the success of the 2016 cost reductions be sustained in the event of any future downturn?

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Questions and Discussion

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Thank you. Enjoy the rest of the conference.

Please make your way to the Sovereign Suite
for our final key note speech from
Loren Rodgers, NCEO

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