

PRESS RELEASE

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6 pearls of wisdom from a Employee Owned Business

As John Lewis Partnership takes on a new Chairman, former Tesco executive Jason Tarry, Employee Owned Trusts (EOT) are back in the spotlight again. David Carlidge, CEO of My Group explains what companies need to know before choosing this business model.

All change!

In September 2022 we became the first employee benefits company to be owned entirely by its employees following our founder's retirement. Rather than see the business sold, the remaining workforce decided that becoming an EOT would mean we were able to evolve the company into what we believed it had the potential to become. Here are the things we have learned during the transition.

1. The practicalities are all-consuming

The process of becoming an Employee Ownership Trust (EOT) was far from straightforward. We are a group of companies, some of which are Financial Conduct Authority (FCA) regulated entities. Be prepared to dedicate significant time and resources to exploring and evaluating the various options, and really understanding the legal requirements and processes involved before initiating the transition to an EOT. We had a multitude of shareholders and obtaining their agreement and approval meant examining the detail, which added an extra layer of complexity to the whole process.

2. Employee buy-in is everything!

Some employees will recognise the opportunities that becoming an EOT presents from the off, but be prepared for some to struggle with fully comprehending the implications of the change. For office-based staff, it is an easier transition, but we have both field and remote workers who can be notoriously difficult to engage due to the nature of their work. We ensure that all of our colleagues, irrespective of location, are as much a part of the culture and community as any office-based workers.

3. Enter: Extreme Culture Change

Be prepared for huge culture changes. For us, our colleagues are slowly developing a deeper understanding of what it means to be part of an EOT, and the benefits will become more

obvious and attainable as we 'grow into it'. Within our own company, we've rejuvenated our management processes, taken a fresh approach to internal comms, moved to bigger and better offices in keeping with the growing business, and introduced social activities and company events to consolidate the sense of belonging and ownership. Everyone regardless of their role is encouraged to bring ideas into the mix, suggest improvements and be vocal about helping push the business forwards.

Having the opportunity to shape a new strategy, forge a new purpose and mission and shape the company values has been hugely motivating. This will be a yardstick for ongoing engagement, so take your time to really craft these elements, with the full collaboration of everyone in the organisation.

4. Don't over promise the benefits

Expectation versus reality is a very real concept here. People have an idea of how things will be but actually the day-to-day doesn't change overnight. I found that giving timely information to employees was really important, but we were careful not to over-egg the pudding, and provided as much clarity as possible at every stage. We have had some people feeling disappointed that things didn't alter immediately, and some others have been ecstatic. We are a diverse group of individuals and people react in different ways. I suggest bringing in someone from a company that has become an EOT to speak to your staff about what it is like - to avoid false expectations and maximise buy-in.

5. Keep conversations going

You will be sharing more information with employees, promoting transparency and participation but be mindful when communicating with the wider workforce about overselling the benefits. Instead, to help ease the transition, take a more reserved approach, gradually introducing the full range of benefits and opportunities as you navigate through the early months.

We held a vote to appoint an EOT representative, to sit in Trustee Board meetings and provide a voice for the employees. So far, this has been incredibly worthwhile and we would strongly recommend taking this approach.

When it comes to recruitment transparency is critical. Be clear about what it means to be part of this business model and how this will shape their experience at work. Be sure to remind the outside world, prospects and clients that this shift is what makes you unique, and focused on creating the best outcomes for everyone.

6. Enjoy the uniqueness of being in an EOT

Yes, there are legal and administrative hurdles to navigate but employee engagement since becoming an EOT is most certainly on an upward trajectory. I just conducted a company-wide series of one-to-one meetings and it is clear that we have a happy, engaged, motivated, hard-working, talented team of people here at My Staff Shop. The culture we have worked hard to create since our transition to EOT status is cohesive, inclusive, and supportive. We don't know what the future holds, but we are embracing our unique business with purpose, energy and enthusiasm.

ENDS

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EDITOR'S NOTES

About My Staff Shop

My Staff Shop is a UK company specialising in the provision and communication of employee benefits, Reward & Recognition, Wellbeing Solutions, and Discounts & Savings. Founded in 2011, with its head office based in Shrewsbury, Shropshire, it now provides its services to private and public sector employers representing over 240,000 work colleagues. Through its sister companies My Health Xtras and Gee 7 Wealth Management it also provides employees with access to a range of low cost health and hospital cash plans, and IFAs.

www.mystaffshop.com.