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ESOP Association Makes a Strategic Investment in Chapter Support

Chapter Success, Technological Changes, and Succession Planning Drive the Transition to Full Time Staff to Support Chapters

In the early 1990's, when The ESOP Association's Chapter program was first starting, the Minnesota Chapter leadership sought approval to retain a part-time independent administrator to assist in the planning and execution of their growing chapter meetings. Not long after, Sue Crockett, who will retire at the end of this month, became the first of many independent contract

room nights on behalf of our membership. As the chapter program has grown, so too has the complexity of the work involved—and the demand for newer, digital tools to ensure that work is done smoothly and in a well-coordinated manner. That in turn has driven The ESOP Association to shift away from using independent contractors to full time staff.



administrators retained by The Association over the last three decades to assist with our chapter program.

These administrators have played a key role in building and growing what is now a very complex and robust national chapter system that delivers a core benefit of your ESOP Association membership.

Over the last three decades, our chapter program has grown exponentially in size and program complexity; in 2019 alone, ESOP Association chapters held more than 160 events that attracted more than 10,000 attendees.

To put that in perspective, on an annual basis, TEA will contract with hotels guaranteeing more than 25,000 hotel

It is an approach that holds tremendous promise for the future, in part because it has worked so well in the past.

A Key Change

Five years ago, our chapter programs were overseen by Chapter Development Officer Richard Duffy, who was an independent contractor. When Duff decided to scale back his consulting business, The ESOP Association transitioned this role to a full-time position—hiring Dan Marcue as a national staff member and new Chapter Development Officer. As our chapter officers can attest, having a full-

time staff person run the chapter program has resulted in enhanced coordination and collaboration between the chapters and the national office. This is a natural outcome, one that occurs organically when people are part of the same internal team, sharing the same resources, technology, and information.

This level of coordination and business intimacy can be more challenging to achieve in an independent contractor relationship, due in part to rigorous IRS rules that mandate a more arms-length relationship with contractors.

Those rules came about because some businesses had



tried to shift their employees to independent contractors, to avoid paying their benefits. Understandably, the IRS frowned on the practice and established a series of rules that draw a line separating what contractors and employees are permitted to do. Those rules can apply to such things as access to the employer's technology and systems.

Time for a Change

Changes in technology and how work is done have been dramatic in the last three decades. Think of it—mobile phones were in their infancy, Microsoft Windows didn't exist, and Mark Zuckerberg (Facebook founder) was finishing up kindergarten. Event records and paper files were easy to keep by outside advisors, and the idea of a relational database or online purchasing or registration was mind blowing. The average storage space on a desktop computer was less than a high-resolution photograph on today's iPhones.

Fast forward to the recently upgraded tools now available to the staff of The ESOP Association: In December, new database software, telecommunications equipment and systems, and accounting systems were purchased and began launching.

While considering this investment, the question arose if our independent contractors could have full access to these tools. At the same time, several of our long-serving Chapter Administrators began discussing their retirement plans. It became clear that the time had come to take the next step in the staff transition and move to a team of full-time Chapter Executives who could provide year-round support services to all of our chapters.

The on-staff Chapter Executives will have full access to these new technologies and will receive the same training on the systems as all other staff members. This change alone will result in much smoother member interactions when registering for events or renewing memberships. The

risk of inaccuracy and loss of records drops exponentially because there is one, single repository for that information.

How the Changes Will Affect Members

The transition to full time staff offers to ESOP Association members a great deal of potential benefits, including the following:

- **Greater data security.** We live in a world in which data integrity and security are vital. Increasingly sophisticated hackers and scams seem to surface

every month. In this environment, placing all chapter information in one same system that is managed and protected by the full resources of The ESOP Association is simply the right thing to do for our members.

- **Greater data integrity.** Under the Chapter Administrator model, member records were too often kept in multiple locations, resulting in difficulties

ESOP Report



The Voice of The ESOP Association

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integrating and managing data. Now all Chapter Executives will manage member data from the same source, and using the same operating procedures, ensuring that your data is handled in a more accurate manner, resulting in a smoother customer experience.

- **Coordinated IT support.** Anyone running a small business knows how much time and effort can go into managing the technical infrastructure of the company. Navigating software versions and licensing, buying hardware, reconciling technical incompatibilities... these are all time- and effort-intensive decisions that take time away from member support. As staffers, Chapter Executives will have the full technical support of The ESOP Association, freeing them to focus on you, our members.
- **Staffing back up and support.** If your Chapter Executive goes on vacation or comes down with the flu, another staffer will be able to step in and pick up the slack. And that person will be able to hit the ground running, using systems and procedures with which they are intimately familiar. And when two chapters work together to produce a regional conference, additional staff support can be available there, too—all while using the same tools.
- **Faster answers.** As staff members, Chapter Executives will attend the same staff meetings, get the same training, and have access to the same information on The Association's finances and future as all other staff members. Being plugged in means Chapter Executives will be able to more quickly and

fully answer members' questions about The Association and its plans and developments.

The transition to Chapter Executives is part of an even larger effort to provide additional and ongoing support to ESOP Association chapters. This new level of support was manifested in an earlier and more involved training session for chapter officers that was held in Denver in January. (See page 10 for more information.)

It also will become more evident as the national staff begins offering greater support for hotel contracts, audio visual services, and food and beverage costs. By leveraging The ESOP Association's national buying power (remember how many attendees and hotel rooms we have, nationwide) we can get more for our money, resulting in better services for chapter events.

Finally, this change simply fits with the ethos of employee ownership. Our organization is built on the premise that when employees are empowered to work together, they will be motivated to interact and collaborate in new and ever more effective ways. We expect that having fully engaged and invested employees serving our chapters will provide positive returns all our members. €



Two New Staffers Will Provide Dedicated Support to ESOP Association Chapters

Long Time Member Jodi Lamb, New Addition Kevin Korenthal Are the First of Several New Staffers Dedicated to Chapter Support

As part of a larger initiative to reimagine the interaction between chapters and the national office, The ESOP Association is making significant investments in new tools and technology. And to ensure that the individuals supporting the chapters have full access to those tools, and in response to some administrators' plans to enter retirement, The Association is beginning a year-long transition to a new model—one in which full time staff provide support to our nationwide network of 18 chapters.

(For more information on this initiative, see this month's cover story.)

The transition from independent contractors (known as Chapter Administrators) to full time staff (who will be known as Chapter Executives) began earlier this year with the addition of two new members of The ESOP Association staff.

Jodi Lamb

Jodi Lamb joined The ESOP Association staff on January 2. She will serve as the Chapter Executive to the New South, Carolinas, Heart of America, Iowa/Nebraska, and Illinois Chapters.

Before joining the staff, Jodi served as the Manager of Marketing and Communications at Big G Express, a 100 percent employee owned trucking company.



Jodi brings to her new position a wealth of experience with The ESOP Association and with the role of its chapters and chapter officers.

She joined The Association in 2012 and was very active as a member and volunteer. She was elected President of the New South Chapter and also served as a member of the chapter's Executive Committee.

Since June 2016 she has served on the Executive Committee of the State and Regional Chapter Council. Since August 2018 she has served as a Trustee for the Employee Ownership Foundation.

She also has won the Charles Edmunson Scholarship, and was the New South Chapter's Employee Owner of the Year in 2015.

Jodi holds a B.S. in Economics and Political Science from Vanderbilt University.

Kevin Korenthal


Kevin Korenthal joined the staff of The ESOP Association on January 16. He will provide Chapter Executive services to the California and Western States, Northwest, Southwest, and Hawaii chapters.

Current Hawaii Chapter Administrator Ginny Wright will provide continuing assistance with that chapter.



Kevin lives outside of Dallas, where for the last three years he served as the Manager of Chapter Relations for the American Fire Sprinkler Association. In that role, he managed 31 Chapters, created eight, and redeveloped 12 others.

Kevin also has a background in advocacy, having worked in Southern California as both Executive Director and Director of Government Affairs for the Associated Builders and Contractors of California.

Prior to that he worked as a District Director for the election and re-election of former California Governor Arnold Schwarzenegger. 

Advisory Committee on Administration

Creative Contribution Formulas

By Lori Stuart, QPA, Senior Manager, Crowe LLP
Reviewed by Karen Ng, Partner, Nixon Peabody LLP

Most of us are very familiar with the method of allocating contributions based on wages. This is by far the most common method for allocating contributions to ESOP and other qualified retirement plans; it also is a “safe harbor” (i.e., it is deemed to be non-discriminatory) under the Internal Revenue Code of 1986, as amended.

Under this approach, each participant essentially receives the same percentage of wages as a contribution. If the contribution is 10 percent of total wages of

eligible participants, an individual participant receives a contribution equal to 10 percent of his/her wages. If contributions are then used to fund payments on an ESOP loan, the shares released are allocated to participants in the same manner as the contribution.

Profit sharing and other non-ESOP plans have a variety of ways of allocating contributions that are not available to ESOPs. These include integration with social security, cross-testing on a benefits basis, and age-based allocation formulas.

However, an ESOP can use formulas in which:

- Contributions are allocated on points based on service and wages.
- Each eligible participant receives the same contribution amount.
- Contributions are made only to participants below a certain service threshold.

Depending on the method used, additional non-discrimination testing may be required to ensure the plan does not discriminate in favor of highly-paid employees.

Here is an example comparison of allocations based on points vs. wages: In this example, participants get 10 points for each year of service and one point for each \$1,000 of wages. If you want to weigh the points allocation based more on service, you can increase the factor used for determining service points or decrease the portion of wages for which the participant will receive a point. And the opposite is true if you want the allocation to be weighted more on service, but to a lesser extent.

An allocation on a points formula is not a “safe

Allocation Comparison Table

Participants	Wages	Years of Service (service & wages)	Total Points (10% of wages)	Allocation on Wages	Allocation on Points
Participant A	\$ 150,000	5	200	\$ 15,000	\$ 8,333.33
Participant B	\$ 45,000	30	345	\$ 4,500	\$ 14,375.00
Total for All Participants	\$1,000,000		2,400	\$100,000	\$100,000.00

In thinking through the right contribution formula for your ESOP, you will want to consider the goals for the ESOP. A change in the formula will impact benefit levels in the plan, and there may be additional costs related to the annual administration if additional testing is required.

Understanding the options available can help you determine if one of these may be the right fit for your plan.

Points Formula

This type of allocation formula awards points to eligible participants based on both their wages and years of service with the company. Those points are used to determine the allocation of the contribution on a pro-rata basis. The points of an eligible participant are divided by the total points of all eligible participants, and then multiplied by the contribution to determine the allocation.

How are points determined? Usually, years of service are multiplied by a factor to get points for service. For example, years of vesting service are multiplied by 10 to compute service points. Points based on compensation are usually computed by awarding one point for a portion of wages earned. For example, a participant will get one point for each \$1,000 of wages earned. Each participant's service and wage points are added together to get total points for allocation purposes.

This type of formula typically is used if a company has long term employees at lower wage levels and the company wants to get a larger allocation to this group. This type of formula can drive more shares to those employees.

harbor” and therefore the ESOP will need to be tested to demonstrate compliance with the general non-discrimination requirements found under Code Section 401(a)(4).

Per Capita Formula

Under a per capita formula, each eligible participant receives the same amount of contribution. For example, if your plan has 80 eligible participants and your total contribution is \$100,000, each participant will have \$1,250 allocated to his or her account. This formula can facilitate getting more contributions into the accounts of lower paid employees who do not have many years of service.

This formula is a “safe harbor” formula and does not need to be tested for non-discrimination. In addition, it is easy to explain. However, you need to be conscientious of the level of contribution participants are receiving when considering the individual limits under Code Section 415. For example, let's say each participant is getting a contribution of \$10,000. You have a retiree who is eligible to share in the allocation but earned only \$9,000 before leaving employment. This participant now has an excess annual addition under Code Section 415 based solely on the ESOP contribution.

One other potential downside is that you may have participants who have been with the company long term or those who are management-level with higher wages who think it is unfair that new, lower paid employees are getting the same contribution amount.

Exclusion from Allocations

Another method for modifying allocations of contributions is to exclude certain participants from being eligible to receive allocations. There are various reasons participants may be excluded from receiving an allocation in a plan year. Most commonly, the ESOP will require that a participant be employed on the last working day of the plan year and work at least 1,000 hours during the plan year to be eligible to share in contribution allocations.

These two criteria typically are waived for those who leave employment during the plan year due to death or disability, or who leave after attaining retirement age, as defined in the plan.

The reason a group is excluded also must meet a business classification test. For example, you could not decide that all participants who are over a certain height are excluded; but you can exclude a group based on years of service or on a location or division.

The coverage testing rules under Code Section 410(b) require that the plan “benefits” at least 70 percent of non-highly paid employees, when compared to the rate of highly paid employees who benefit. For this purpose, benefitting means receiving a contribution allocation. It is possible to exclude certain groups of employees from receiving allocations, provided you can meet the coverage testing requirements.

The reason a group is excluded also must meet a business classification test. For example, you could not decide that all participants who are over a certain height are excluded; but you can exclude a group based on years of service or on a location or division.

Excluding participants based on years of service can help an ESOP that has a “have and have not” issue. In a mature ESOP, the majority of shares could be allocated to participants who have been with the company for many

years; getting shares to newer folks is harder once the ESOP loan has been repaid in full.

For example, let’s say 75 percent of the ESOP shares are in the accounts of participants who have been with the company for 10 or more years. What’s more, all your highly paid employees are in that group.

You could allocate a contribution, based on wages, to only those participants who have fewer than 10 years of service. Since this group has no highly-paid employees, the plan automatically will meet the coverage testing requirements. It still may be possible to meet coverage testing requirements even if the group getting allocations includes a highly-paid employees. It just depends on the total number of benefitting employees, compared to non-benefititting employees.

Conclusion

Allocating contributions solely on wages still may be the best fit for your ESOP. Before making a change, talk to your Third Party Administrator, ESOP trustee, and your ESOP counsel. They can help you assess the pros and cons of other formulas.

You should have a comparison prepared that shows you the impact of different formulas so you can make the best decision for the plan and for participants.

Keep in mind that if you want to change your allocation formula or exclude certain groups from eligibility for allocations, it must be done prospectively—so you will need to start thinking about this change before your next plan year begins. €

Calendar of Deadlines and Important Dates

Feb. 6-7 [ESOP Professional’s Forum](#)

May 20-22 National Conference

July 12-17 [2020 CEO Leadership Program](#)

To see the full list of ESOP Association meetings, visit us online at: www.esopassociation.org.

Washington Report

Congressional Committee to Hold Hearing on Employee Ownership

The Small Business Committee of the U.S. House of Representatives is focused on making sure that government programs are delivering positive results for employee owned businesses and is planning to hold hearings on the subject. Committee Chairwoman Nydia Velazquez (D-NY-7) is tentatively scheduling a full committee hearing on Wednesday, February 12, and would like to hear from TEA members who have tried accessing programs aimed at helping employee owners and ESOP

founders who are trying to sell their businesses to their employees.

Of significant interest is the implementation of the Main Street Employee Ownership Act, which was introduced by Rep. Velazquez in March 2018 and signed into law later that year. The legislation is intended to ensure that the full range of loan programs offered by the Small Business Administration (SBA) is accessible to employee owned businesses. The legislation also charges the SBA with

exerting additional effort to facilitate more employee ownership by offering public information and government information resources on forming employee owned firms.

One area of frustration with SBA implementation of the Main Street Act has been the unjustified decision to not make the Preferred Lending Program (PLP) available for ESOP loans. The PLP allows certain lenders to make the final decision on credit, rather than requiring all applications be sent to the SBA for a final determination. This decentralized approach makes lending smoother for lenders and borrowers, allowing for a more streamlined loan application process and expedited approval.

It clearly was Congress' intent—and the main policy goal of the legislation—to apply the PLP program to ESOP loans. However, during implementation the SBA has chosen to interpret Congress' intent as optional and to direct all ESOP loans to continue to be reviewed and approved by officials in Washington.

As a result of this decision, very few SBA loans have been made to ESOPs, and the additional benefits of the legislation are—in practice—untested.

For example, prior to passage of the bill, an SBA ESOP loan could be made only to the ESOP plan within the company, while commercial banks typically lend to the company (which then makes an internal loan to the employee trust to purchase ownership). Known as a “back-to-back” loan, the structure allows the company to have more flexibility in how the ESOP operates, including how quickly employees get their shares so that both current and future employees will get meaningful stock awards.

Because the PLP has not been extended to employee ownership transactions, few loans have been made to ESOP companies, with the result that employee owners may be waiting longer than they should to get their shares. Congress put these changes in place to help speed the transition from employees to employee owners, but so far our community is not reaping these benefits due to the SBA's decision on the PLP.

The Small Business Committee also is expected to take testimony regarding the effectiveness and accessibility of

other programs for ESOPs. TEA will provide insights on the difficulty the community has faced as a result of regulatory ambiguity and a lack of clear guidance from the Department of Labor (DOL) regarding the administration of ESOPs. Over 45 years after passage of the Employee Retirement Income Security Act—the law that codified ESOPs—the DOL has yet to issue regulations.



Rep. Nydia Velazquez

TEA also will use the opportunity to highlight the benefits of two pending pieces of legislation: S.177 and H.R. 2258. Both bills would extend the 1042 rollover to S Corporations, therefore making the formation of an ESOP more attractive to business owners.

The bills also enable businesses that qualify for the SBA's 8(a) Business Development Program to retain that status when

becoming an ESOP.

Finally, H.R. 2258 also allows banks to deduct up to 50 percent of interest earned on loans made for ESOPs from profits.

Helping ESOP Association members share their experiences in a full House Committee hearing is an invaluable way of helping Congress better understand the needs and perspectives of the ESOP community. The fact that these insights will be provided to Rep. Velazquez—who introduced the latest successful pro-ESOP legislation—means our comments are likely to be well received.

This effort is just one of the ways TEA is working to pursue your interests. Another will be the new Advocacy Day program offered in conjunction with the National Conference in Washington, D.C. in May. Look for more information on that program in a future issue of the *ESOP Report*. [E](#)

ESOP PAC Offers Equal Access for Employee Owners

Donations to The ESOP Association's Political Action Committee Help Our Community Raise its Collective Voice

As the only entity advocating on behalf of all ESOP companies, The ESOP Association must pursue any and all legitimate means to advance the cause

of employee ownership. Anything less than our total dedication to the task would be a disservice to you, the millions of current employee owners, and the tens of

millions of employees who deserve the chance to someday be owners.

Representing you and your interests in Congress takes many paths.

We sponsor research proving the value of employee ownership through our affiliate, the [Employee Ownership Foundation](#).

We provide education about advocacy efforts through this newsletter and through our conferences and other events—including the new Advocacy Day program we will offer in conjunction with our National Conference in Washington, D.C. in May.

We help coordinate visits to Capitol Hill and provide materials and advice to improve your odds of having an effective meeting with your federal elected officials (which also will take place in May during the National Conference).

We provide information to show you which of your members of the House and Senate currently support ESOPs through our [ESOP Champions](#) page.

It takes time and effort to educate new lawmakers about the power of employee ownership and the benefits of ESOPs. To maximize this investment, we need to do all we can to help return to office those who understand and value employee ownership.

And, in one of our less visible—but vital—efforts, we help our ESOP Champions gain re-election so they can continue to support us in our quest to make ownership available to every employee in America.

This last effort is best conducted through our ESOP Political Action Committee, or PAC.

PACs are sometimes misconstrued and misunderstood to be tools that are used to buy influence, but in fact they are ways to balance out the undue influence that large companies and wealthy individuals might otherwise have. PACs allow lots of individuals to pool their relatively small dollar donations in support of causes they value—and the officials who support those causes.

When all those small donations are added together, they can equal those of larger, more affluent people and organizations. This is a fundamentally democratic proposition, one that seeks to help the little guy be heard and is established and protected by law.

The ESOP Association seeks to take maximum advantage of this legal and democratic method of protecting your interests.


Further, the ESOP PAC donates only to those elected officials who already have publicly shown their support for ESOPs, typically by sponsoring or supporting pro-ESOP legislation.

ESOP PAC funds help these existing ESOP Champions in Congress pay for the expenses related to their re-election campaigns; this helps those who champion ESOPs regain their seats so they can return to Congress and continue fighting for employee ownership.

If we sat idly by while those who support us waged heated re-election campaigns, we would not be very good advocates for your interests. We also would not be very good partners to those members of the House and Senate who extend themselves on behalf of the ESOP community.

As you have likely read many times in this newsletter, it takes time and effort to educate new lawmakers about the power of employee ownership and the benefits of ESOPs. To maximize this investment, we need to do all we can to help return to office those who understand and value employee ownership.

In pursuit of that goal, the ESOP PAC focuses solely on whether or not elected officials support ESOPs. It does not concern itself with party affiliation or other political factors. Any member of the House or Senate who supports ESOPs, regardless of party, is eligible for the support of the ESOP PAC.

Some of our ESOP Champions will face difficult re-election bids this year; they need and deserve our support, which means the ESOP PAC needs *your* support. To learn more about The ESOP Association's PAC, including how to make a donation that will help keep ESOP Champions in Congress, please visit the [ESOP PAC web page](#). 

Ownership Advantage

Engaging and Retaining Employees Through an ESOP

By Jason Wellman, Ownership Culture Director, ESOP Partners

As an employee owned company, are you challenged to engage and retain your fellow employee owners? The current landscape in our country has changed, especially with unemployment at record low rates. (According to the Bureau of Labor Statistics, in October

unemployment dropped to 3.6 percent—its lowest point in 50 years.)

How are you combating these record low unemployment numbers to ensure you hire and retain the best and the brightest?

How are you actively engaging your employees to ensure personal development along with retention?

Turnover Costs

Turnover can create a financial drain on any company, especially one that is employee owned. In 2017, the annual overall turnover rate in the U.S. was 26.3 percent, according to the Bureau of Labor Statistics. The cost of replacing an individual employee can range from one-half to two times that employee's annual salary.

Put those numbers together and this is what you get: A company with 100 employees that has a 26.3 percent turnover rate and an average salary of \$60,000 could have turnover and replacement costs that range from \$789,000 to \$3,156,000. Just think for a second how much that kind of expense would impact an ESOP company's overall appraised value on an annual basis.

Employee Engagement

Since 2000, a Gallup Poll has measured employee engagement at work. Results released in August 2018 show that the percentage of employees who are actively engaged—defined as working passionately and feeling connected to the organization—was 34 percent, an all time high. This is good news for businesses because engaged employees will drive innovation and move the organization forward.

Similarly, the poll found that disengaged employees—those who are not only unhappy at work but acting out their unhappiness—was at an all-time low of 13 percent. These “toxic” employees undermine the accomplishments of their engaged counterparts, so having fewer of them is again good news for business.

What about the remaining 53 percent of employees? They are doing just enough work to get by but are not passionate about what they do for the organization. These disengaged employees are sleepwalking through their workdays, putting in time with only limited energy.

This group of individuals is the key to success for any organization. If these employees become aligned with the company's mission and vision, success can be felt throughout the entire organization.

Keeping Employee Owners

To keep your engaged employee owners, and to engage those who are not fully engaged, it can be helpful to look at the factors that could prompt someone to walk away from a company.

According to James K. Harter, Ph.D., here are six reasons—in rank order—employees will leave a company:

- Career advancement or promotional opportunities.
- Pay and benefits.
- Lack of fit to job.

- Management or the general work environment.
- Flexibility and/or scheduling.
- Job security.

Career advancement or promotional opportunities.

One of the best indicators of retention is the growth of an individual employee. Does this employee continue to learn and advance within his or her role in the organization? If so, there is a strong likelihood this individual may stay. The odds go up dramatically if the employee is encouraged to develop and/or has a formal career advancement process road mapped out.

Pay and benefits. The answer here is not to throw more money at your employees, but to focus on compensating your highly engaged employees. Pay and benefits become a problem if employees feel their peers are not delivering the same high standard of output.

Are you sharing financial results with your employee owners? Utilizing an open book format for helping educate your employees on how they make a difference will not only inspire them to new levels of performance but will help them realize how everyone makes a difference within the company.

Lack of fit to job. Harter says the most effective managers are those who help employees build jobs that fit them as individuals, while keeping the company's goals in mind. Set people up for success and they will succeed within the organization, and in life.

Management or the general work environment. The best way to improve a work environment is to set clear expectations for everyone from the start. Try to avoid confusion at all costs and focus on simple, clear messages about your expectations for employee owners.

Flexibility and scheduling. Employees are looking for opportunities to work remotely and adjust their hours as needed to achieve work life balance. According to “The Dream Job,” a March 2017 article in the *Gallup Business Journal*, 53 percent of employees say greater work life balance and better personal well being are very important to them. To retain these individuals, it will be important for your leadership team to focus on empowering employees to attain the work life balance they seek.

Job security. Are you sharing financial results with your employee owners? Utilizing an open book format for helping educate your employees on how they make a difference will not only inspire them to new levels of performance but will help them realize how everyone makes a difference within the company.

These six areas are critical, and employee owned companies need to develop strategies to address each of these potential pitfalls so they can retain top notch talent. The competition for good employees is too great—and the potential costs of losing good employees is too high—to leave this matter unaddressed. €

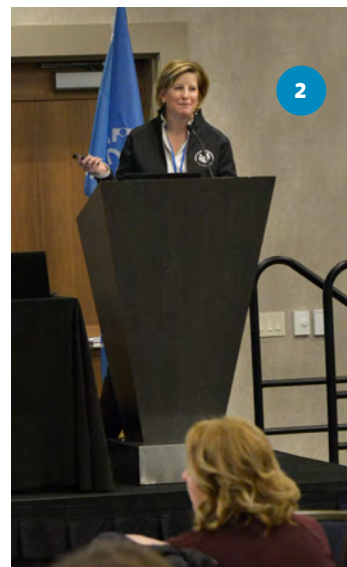
SRCC Meeting Takes Place in January

Earlier Meeting Helps Chapter Officers Hit the Ground Running

More than 65 new and returning chapter officers attended the first of this year's State & Regional Chapter Council meetings in Denver in January. The meeting was held far earlier this year in an attempt to

help officers receive the training and information they need at the start of the year to hit the ground running.

When they arrived in the mile-high city, officers were greeted with a new format that featured more presentations



than usual from ESOP Association staff and even a guest speaker.

Mike Casey joined ESOP Association CEO Jim Bonham for a conversation on advocacy and communications. Casey is the founder and President of Tigercomm and has substantial experience helping organizations communicate about their legislative priorities. (Photo #1)


Jennifer Edwards, Membership Director, spoke to the officers about the new capabilities and practices resulting from the recently launched member database. (Photo #2)

Vice President of Events & Education Amanda Rushing explained how the national office will be able to support chapter events and activities, going forward. (Photo #3)

Board Members Derrick Vick and Gary Shorman updated attendees on new technologies and other new capabilities The Association is rolling out.

Chapter Development Officer Dan Marcue provided insights on the transition from independent contractors to full time staff who will provide support to the chapters.

And the Communications Department—consisting of Communications Director Patrick Mirza and Associate Director Paul Pflieger—offered tips on maximizing the communications tools available to the chapters.

Throughout the two-day meeting, officers gathered for interactive small group discussions and engaged in a lively sharing of ideas. 





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