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B.PHL: EMPLOYEE OWNERSHIP AS A WAY TO INNOVATE

During Philadelphia's recent B.PHL Innovation Fest, we had the pleasure of facilitating a discussion about employee ownership as a way to innovate.

Held at the Community College of Philadelphia, the roundtable setting allowed us to interact directly with other professionals in the community, addressing their questions about the employee stock ownership plan (ESOP) model, how it works and how we've shifted our culture at Graham to empower employees and inspire innovation.

In an industry mired by consolidation, CEO Bill Graham chose to convert Graham Company to an ESOP model in 2017 to ensure the business continues to thrive. We're now 100 percent employee-owned, giving every staff member a meaningful, long-term ownership stake in the business. At its core, an ESOP is an employee benefits plan, which provides company stock to employees as part of their retirement. By becoming 100 percent employee-owned, all company stock is now held in trust by the ESOP.

Beyond stock benefits, this move has improved our company's culture, created a sense of ownership among employees and allowed us to make our business the best it can be for our clients.

After we announced the ESOP in 2017, we weren't quite sure how our already-strong culture would change, but we did know we needed to make a concerted effort to ensure every employee would feel empowered to take advantage of their new ownership stake. From there, we slowly started to see "pockets of change"



appear in different departments and on different teams as employees took ownership to improve their individual pieces of the business. This collaboration has made our culture even stronger as employees feel more dedicated to the success of the company and that they are all working toward the same goal.

Make no mistake – converting to an ESOP model won’t “fix” the culture of a company. But for those that already have a strong culture, like we do, the arrangement gives every employee the freedom to use it to their advantage and enact company-wide change.

As part of this transition, we also launched an innovation team and tasked them with creating efficiencies across all of our departments. If an employee discovers an issue or something they think could be working better, we encourage them to bring it to the innovation team. Depending on the problem and the employee’s bandwidth, they may be challenged to pursue a solution themselves, or the innovation team might take on the project as a means to improve the company’s overall operations.

This culture also requires all employees – not just executives or senior managers – to hold each other accountable. One thing we discovered as we started our ESOP journey is that not every employee was trained in these types of soft skills, so we’re working to roll out training modules for all of our staff members to learn about topics like accountability, giving and receiving feedback, responsiveness, effecting meetings and more: everything that will help them “think like an owner.”

Now, less than three years later, being employee-owned has made Graham a stronger company than when we started, in terms of both culture and profits.

To learn more about Graham Company and its ESOP, [view our announcement](#) or [read about what the model means for our clients](#).



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