

ISSUE HIGHLIGHTS

- The first round of results from the NCEO ESOP transaction survey show general company satisfaction with the plans. *See pages 1 and 4*, and our next issue will share results on transaction structures and costs.
- William Gust and Lisa Tilley provide guidelines for boards of directors who want to ensure their processes meet best practices. *See page 3*.
- After their loans are paid off, some ESOP companies do not have any shares left for new employees. What solutions do companies have when people say they do not have enough stock to feel ownership? *See page 6*.
- What happens when founders who have sold some of their shares to an ESOP decide to take an extended sabbatical? Read the case study on Harrell Remodeling *on page 8*.
- Sometimes employees are disappointed, even when the company generously funds its stock plan. Ideas for ramping up plan appreciation are *on page 9*.
- What do Uber and the "gig economy" mean for employee ownership? *See pages 2 and 14*.
- The NCEO moved the directory of service providers to our public website. We also launched the directory of ESOP lenders, available to members only. *See page 11*.

SURVEY RESULTS

The 2015 ESOP Transaction Survey

Nearly all companies (93%) are satisfied with their transaction process overall (62% say very satisfied), according to the NCEO's first survey on ESOP transactions.

The process and services that allow companies to become an ESOP or increase their employee ownership are critically important. Yet, there are virtually no sources of data on this subject. The NCEO set out to address this gap with our recent survey focused on the characteristics and costs of ESOP transactions.

This online survey, conducted between February and September, collected a total of 240 usable responses from a diverse cross-section of privately held companies. Half of the respondent companies (53%) have 100 or fewer employees, and most (83%) are S corporation. —Continued on page 4

INNOVATIONS IN EMPLOYEE OWNERSHIP

Applications Open for 2016 Awards

Driven by engaged, entrepreneurial employees, employee-owned companies often emerge as industry leaders, pioneering best practices in a range of areas. The Innovations in Employee Ownership Award recognizes employee-owned companies that demonstrate a commitment to promoting employee ownership and innovative practices that result from having unique and progressively designed stock plans, effectively engaging workforces of employee-owners, and furthering ideas that tie stock to improved company culture or performance. By sharing these ideas with the employee-ownership community, this award strives to encourage employee-owned companies to continue to innovate in all facets of your business.

The award program is administered by the NCEO and the Beyster Institute at the Rady School of Business, UC San Diego. An award committee determines the winning company or companies using factors that include the positive impact the innovation has on the company, its employees, the industry, the employee-ownership community, and the public perception of employee ownership.

The application deadline is February 19, 2016. Winners will be announced at the 2016 Employee Ownership Conference in Minneapolis, MN. The Innovations in Employee Ownership Award is sponsored by TEOCO of Fairfax, Virginia. ■



2015 Innovations Award winners:
Radian Research, Inc.



For more information or to submit an application, visit www.nceo.org/r/EOAwards, or contact Dallan Guzinski at 510-208-1301 or DGuzinski@nceo.org.

THE NCEO is a self-sustaining nonprofit membership organization that provides practical resources and objective, reliable information on employee stock ownership plans (ESOPs), equity compensation plans, and ownership culture. Our publications, meetings, webinars, and research are designed with you in mind.

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