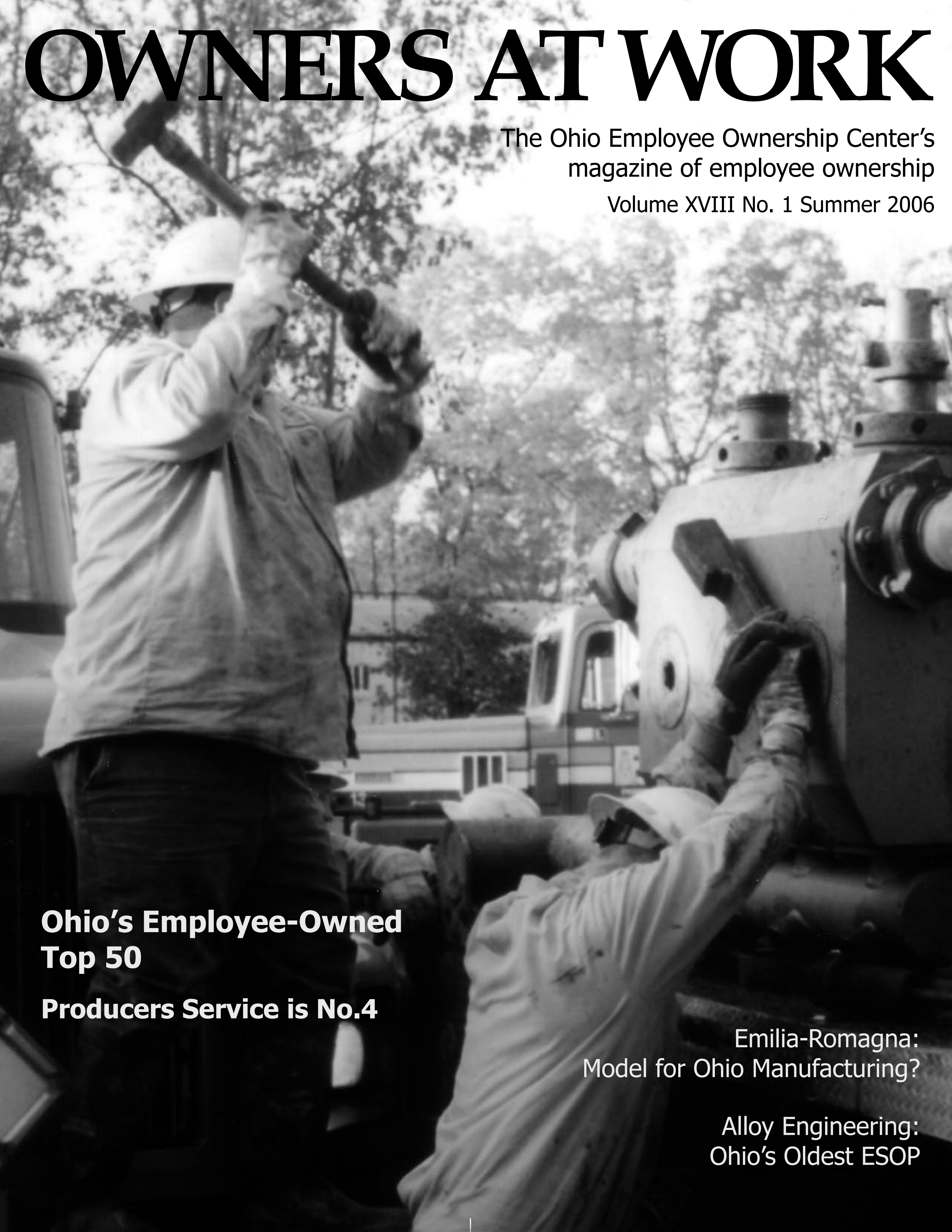
OWNERS AT WORK

The Ohio Employee Ownership Center's
magazine of employee ownership

Volume XVIII No. 1 Summer 2006



Ohio's Employee-Owned Top 50

Producers Service is No.4

Emilia-Romagna:
Model for Ohio Manufacturing?

Alloy Engineering:
Ohio's Oldest ESOP

OWNERS AT WORK

Editor

Jacquelyn Yates • yates@salem.kent.edu

Staff Writers

Dan Bell • dbell@kent.edu
Steve Clem • cclem@kent.edu
Chris Cooper • ccooper1@kent.edu
John Logue • jlogue@kent.edu
Bill McIntyre • bmcinty2@kent.edu
Karen Thomas • kthomas@kent.edu

Layout

Chris Cooper

To receive a free subscription, make an address change, and for other inquiries send relevant information to:

Owners At Work
Ohio Employee Ownership Center
113 McGilvrey Hall
Kent State University
Kent OH 44242
330-672-3028

oeoc@kent.edu
www.kent.edu/oeoc

Cover Photo: Keith Flexter (l) and Mike Hartshorn of Producers Service Corp. loosen a cap in order to get at a pump.

Owners At Work (ISSN 1046-5049) is published twice a year by the OEOC. Letters, articles, requests for permission to reprint and subscriptions (which are free) should be sent to the editor. Owners At Work is funded in part by the Ohio Department of Development Labor-Management Cooperation Program.

The OHIO EMPLOYEE OWNERSHIP CENTER (OEOC) is a university-based program which provides information and technical assistance to retiring owners, buyout committees, labor unions, managers and community-development organizations interested in exploring employee ownership. Center staff can help locate competent and appropriate legal and financial advisors, and perform initial assessments to determine whether employee ownership is a viable option. The OEOC develops resource materials on employee ownership and participation systems, sponsors workshops and conferences for the general public, develops and delivers training programs for employee owners, facilitates cooperation among employee-owned firms, coordinates a comprehensive succession planning program, and assists international efforts to privatize businesses through employee ownership.

The OEOC is funded by grants from the Ohio Department of Development's Office of Labor/Management Cooperation, the Ohio Department of Job and Family Services, as well as contributions from Kent State University, Friends of the Center, and the companies that comprise Ohio's Employee-Owned Network.

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Publisher's Note

If it seems like employee ownership is more in the news in Ohio, it's because there have been a number of major buyout efforts underway.

Employees have tried to buy New Page (the old Mead paper mill) in Chillicothe and the Akron Beacon Journal, and are currently working on a buyout effort at Hoover in North Canton. All three of these major employers were put into play by Wall Street merger and acquisition activities. These buyout efforts are profiled in Employee Ownership News section.

We're publishing the 2nd Ohio "top 50" employee ownership list.

Procter and Gamble tops the list in participants and total ESOP assets and ranks 3rd in assets per participant. Generally, public companies are where Ohio ESOP participants are, but private companies have created the greatest assets. The most remarkable case is Producers Service Corp, up from 10th to 4th in assets per participant from our 1st "top 50." This is a company that was being shut (and the equipment was to be shipped to China) when the employees rescued it in 1994.

This issue features the 20th annual Ohio employee ownership conference.

Can it really be 20 years? Corey Rosen, who spoke at the 1st Ohio conference, came back to keynote this meeting. His remarks provide a retrospective over the changing landscape of employee ownership in America in the last two decades.

Policy makers should read our interview with Matt Hancock on economic development policy in Emilia Romagna, a region in Northern Italy with roughly the population of Northeast Ohio. While Ohio has been hemorrhaging manufacturing jobs—200,000 lost state-wide since 2000—Emilia Romagna has developed a systematic policy of supporting the development of small and medium sized manufacturing companies, many employee owned. Emilia Romagna has 7% of Italy's population but accounts for 9% of the GDP, 13% of the exports, and 30% of the country's patents. They are doing something right, and we can learn from them.

As you probably have already noticed, this issue of Owners at Work sports a new look. Drop us a line (or an email at oeoc@kent.edu) and let us know how you like it.

The OAW Team

Employee Ownership News

Employees Want to Vacuum Up Hoover

The name Hoover is synonymous with vacuum cleaners and has been a household name for the last hundred years. It is a mainstay of the community of North Canton, Ohio. Founded in 1908 by W.H. Hoover, the company operated under Hoover family ownership until Chicago Pacific, a private Chicago investment firm, purchased it for $534 million in 1986. Chicago Pacific sold it to Maytag in 1989 for $932 million. Many would say that was when the company's downturn started.

The North Canton Hoover facility employed as many as 4,000 salaried and hourly workers in the mid 1960s and still had 2,208 in 1988 before Maytag purchased it. Since 1989, Maytag has gradually reduced Hoover employment in North Canton and Stark County, transferring work to El Paso, TX; Juarez, Mexico, and contract manufacturers in China. It has opened an R&D facility in China. Today, employees involved in the North Canton manufacturing and research & development facility, the distribution center in Jackson Township, and the bag plant in Canton number less than 1,000, with 300 on hourly layoff. The International Brotherhood of Electrical Workers Union, Local 1985, represents the hourly workforce.

After a number of years of declining results and stock prices, in 2005 Maytag was put into play by Ripplewood Holdings, a New York investment firm. After a number of months of competition between Ripplewood and Haier (China's largest appliance firm), Whirlpool entered and won the competition for ownership of Maytag by offering shareholders a superior stock purchase price. Prior to the deal closing, Maytag announced that it was selling Hoover. Then, once the deal closed, Whirlpool decided that it too would put Hoover up for sale, saying that Hoover didn't fit with Whirlpool's core products—laundry, refrigeration and kitchen equipment.

In order to have some input into what happens to their jobs, the employees, through IBEW Local 1985, voted to explore a partial employee buyout. They have retained, with the assistance of an Ohio Department of Job and Family Services prefeasibility study grant, a consultant, Duff & Phelps, to represent them .

Jim Repace, President of IBEW Local 1985, said the union is moving forward with plans to submit a bid for the business. The effort is ongoing. Stay tuned. OAW

NewPage Becomes Glatfelter

In the last issue of Owners At Work, we reported on the effort by employees of Chillicothe's paper mill to buy the plant. The mill has been producing paper for more than a hundred years, virtually all of those years as Mead Paper. But in 2002, Mead merged with Westvaco to form MeadWestvaco Corporation. Then in May 2005 MeadWestvaco sold its paper mill operations, including Chillicothe, to Cerberus Capital Management, a private equity firm that created a new company to run the mills—NewPage Corporation.

The ink had barely dried on the deal when NewPage announced in June that it was considering three options for its Chillicothe acquisition—1) sale to a strategic buyer; 2) sale to the employees and local management; and 3) restructuring (probably the least attractive of the three). The employees decided to explore buying the mill through an Employee Stock Ownership Plan, met with the Ohio Employee Ownership Center staff, had employee informational meetings, elected a Buyout Committee, had a prefeasiblity study done which concluded that an employee buyout had a reasonable chance of success, and set about negotiating new labor contracts. In short, they did all the right things in pursuing an employee buyout. All that remained was for the company to grant the employee group a period of exclusivity so they could proceed with lining up financing.

NewPage, however, wasn't quite ready to sell to the employees and was keeping the door open for an outside buyer. Coming through that door in late February with $80 million in cash was Glatfelter, the North American leader in the manufacture of publishing papers and one of the world leaders in tea bag papers. The acquisition of the Chillicothe plant nearly doubled the size of Glatfelter while expanding the company's product lines.

Glatfelter is a 142-year-old paper company based in Spring Grove, Pennsylvania, about 7 miles southwest of York. It has facilities in Pennsylvania, Germany and the Phillippines. As Glatfelter was acquiring the Chillicothe paper mill, it announced the closing of a facility in Neenah, Wisconsin. Production at the Wisconsin plant is being moved to Chillicothe. The closure in Wisconsin resulted in about 200 people losing their jobs, but no new jobs are expected in Chillicothe, at least in the short run. The added production, however, should add to employment stability at the central Ohio mill. They've already started up another paper machine that hadn't been running for some time.

The acquisition is generally viewed by the workforce and by the community as a positive outcome. Steve Brown, a co-chair of the employee buyout committee, said "Everyone is working hard integrating the two companies. The Committee, although no longer involved in employee ownership, is looking for opportunities to continue to utilize the synergies and the enthusiasm the Committee had built up in ways that will benefit the new company and make it better."

Mark Dixon, labor's co-chair on the committee went a step further and said "It is my personal opinion, and I admit I don't have any facts to back it up, that Glatfelter took a different look at the facility as a result of the partnership efforts of the management and the unions in studying a possible buyout." OAW

Republic Storage Sold

Republic Storage Systems, once the largest 100 percent employee-owned company in Ohio, is no longer an ESOP. The company filed bankruptcy in March 2006 and its assets were purchased at auction by Chrysalis Capital Partners on May 12 for roughly $20 million. The good news is that the new company, Republic Storage Systems, LLC, will remain in Canton and will be led by Jim Anderson with support from Chrysalis and its team of operating partners.

While the bankruptcy and purchase will allow Republic Storage Systems to remain in business, preserving nearly 400 jobs, there were considerable costs as well. The ESOP stock in employees' accounts is now worthless. Employees' defined benefit pensions will now be taken over by the Pension Benefit Guaranty Corporation. The 270 retirees will lose their health care coverage.

To Jim Anderson, "It's a bittersweet outcome. We were able to preserve good-paying jobs for our employees. That's the 'sweet.' The 'bitter' is that the ESOP is gone and retirees will have to find other health care coverage. Unfortunate circumstances have led us to this point, but we must now do all we can to continue to preserve jobs and supply our customers."

Republic Storage employees bought the company in 1986 after it was put up for sale by LTV Corporation. Concerned that an outside buyer would eliminate jobs and shut down the plant, the employees, with United Steelworkers Local 2345 taking the lead, banded together to buy 100 percent of the company for about $17 million. To help raise the money, everyone agreed to take a 15 percent cut in wages and benefits. For the next 20 years, the firm operated as a successful employee-owned company. Anderson noted that, "Faced with the loss of jobs back in 1986, the ESOP served us well as a bridge for two decades."

The company was a founding member of Ohio's Employee Owned Network, and employee owners from Republic Storage have served on the OEOC's Advisory Board since the late 1980's. Jim Anderson, current President and CEO, served on the OEOC Board from 1999 until the bankruptcy and was a member of the Executive Committee from 2004. Republic Storage employees were a fixture at the annual Ohio Employee Ownership Conferences, always getting there a bit early to stake out "their table or two or three" in the back of the room. The company regularly participated in the Company Showcase and representatives from both management and labor were frequently on Conference panels addressing issues of labor-management relations in an employee-owned company.

Republic's road to bankruptcy began on Monday, July 28, 2003 when the company, along with other businesses in the area and dozens of residents, fell victim to the worst flooding in decades. After four inches of rain in three hours, Nimishillen Creek rose to four times its normal level. Floodwaters in the plant rose to four feet in some areas, knocking out electrical power. There was extensive water damage. Employees spent countless hours on their own time helping with the cleanup.

The company suffered $11 million in damage, but insurance covered only about $5 million of the loss. A U.S. Small Business Administration disaster loan covered the remaining $5.9 million. The flood shut down the company for six weeks, causing it to miss its peak season. In spite of the setbacks, the company got back into operation and was named the Canton Regional Chamber of Commerce Business of the Year in 2004 for its recovery. The SBA also recognized Republic Storage by giving the company the 2005 Small Business Administration's Phoenix Award for Small Business Disaster Recovery. According to Anderson, "It was the tenacity and commitment of our employees that made our recovery possible. From the time the floodwaters receded to the moment machines began running again, every employee in every department showed untiring resolve to get Republic working again."

Unfortunately, the floods were not the only problem the company encountered in recent years. The doubling of steel prices in 2004 created material costs that could not be passed on to customers for school lockers shipped in the summer of 2004. The company faced increasing pension and retiree health care costs. These factors had a cumulative negative impact on performance, leading to the decision to file for Chapter 11 on March 14, 2006.

Chrysalis Capital Partners, the new owner of Republic Storage, is a private equity firm based in Philadelphia, PA, with a $300 million fund that focuses on special situation investing such as divestitures, buyouts, turnarounds, financial restructurings, reorganizations, and re-capitalizations in middle market companies with typical sales of $50-$500 million. Institutions, including the Pennsylvania Public School Employees' Retirement System and the Colorado Public Employees' Retirement Association, provide about 80% of its $300 million fund commitments. Republic Storage is expected to continue to be a leader in the design and manufacture of high quality storage products including school lockers, shelving, storage racks, and shop equipment. OAW

Vermont Acts for Employee Ownership

On May 22, 2006 the governor of Vermont signed into law a directive to the state treasurer, ordering continuing study on investing a portion of state pension funds into employee ownership, and directing the Vermont Economic Development Authority to give preference to loans to employee-owned firms or companies that are becoming employee-owned.

Just nine days later, the state appropriated $25,000 for the Vermont Employee Ownership Center. OAW

Beacon Journal Employees Attempt Buyout

Even though they were not the successful bidder, members of The Newspaper Guild-CWA made a run at buying Knight-Ridder newspapers this past spring, and in the process, learned a lot about employee ownership. In March, McClatchy Company, a leading newspaper and Internet publisher headquartered in Sacramento, California with 12 daily newspapers, announced a $6.5 billion deal to buy Knight-Ridder, the nation's second largest newspaper company with some 32 daily newspapers. McClatchy then turned around and announced it would sell 12 of the papers. One of the papers was Ohio's Akron Beacon Journal.

Working through Yucaipa Companies, a worker-friendly private equity investment fund in California, employees of the nine union-represented papers mounted an unsuccessful effort to purchase all twelve. The effort then turned to trying to buy papers individually.

The union employees at the Akron Beacon Journal developed an energetic campaign to influence the effort at their paper. "There is a lot of interest in our proposal among various stakeholders in the news industry," said Newspaper Guild President Linda Foley. "People who work in this business and care about what's happening to journalism as a result of the current climate of consolidation and cost-cutting understand that there is a need for a different ownership model."

Concerned about the possible effect a new owner might have on the quality of the paper, the community also provided a lot of support. The Summit County Council passed a resolution endorsing the "worker friendly" buyout effort. OEOC Director John Logue appeared before County Council in support of the resolution. Akron's Mayor and City Council also endorsed a resolution. A rally held in late March joined politicians and union leaders with current and former ABJ employees to show support for the newspaper. The rally drew about 150 people, including many from the Beacon Journal's past.

When all was said and done, however, Sound Publishing Holdings, a wholly-owned U.S. subsidiary of Black Press Ltd. of British Columbia, Canada, emerged from the bidding as the winner and the new owner of the Akron Beacon Journal. Black Press bid $165 million for the paper, outbidding Advance Publications, owner of Cleveland's Plain Dealer and The Yucaipa Companies. According to news reports, no immediate changes in the newspaper's leadership are expected and no layoffs are planned. Black Press will honor the union contracts. OAW

Should Ohio Establish an Economically Targeted Investment Fund?

During the last 30 years pension funds have become the primary source of new capital creation in the United States. Today, total workers' pension funds in employer-sponsored plans amount to about $8.4 trillion. Despite the fact that these funds are legally the property of the future pension recipients, frequently the investment of the funds on Wall Street drains capital that otherwise could go to reinvestment in Ohio. Would it be more prudent to reinvest part of that pension fund capital in creating jobs and stabilizing our tax base in Ohio?

A Workshop for Pension Fund Trustees and Those Interested in Economic Development to discuss this issue was held Tuesday, June 6, 2006 at the Ohio AFL-CIO in Columbus, OH. Three academic papers were presented that set the stage for the discussion: 1) "Capital Gaps in Ohio" by Mark Cassell, Kent State University; "Experience with Economically Targeted Investing" by Mark Rosentraub, Cleveland State University and "Economically Targeted Investment & Employee Ownership" by John Logue and Steve Clem, Ohio Employee Ownership Center at Kent State. The workshop and the academic papers were supported by a grant from the Northeast Ohio Research Consortium of the Ohio Urban University Program. The Ohio AFL-CIO, AFSCME-Ohio Council 8 and the Ohio Employee Ownership Center co-sponsored the workshop. Thirty participants, including labor members of three of the five state pension fund boards and the unions behind them participated in the day-long event.

Today, the five Ohio public employee pension funds (Ohio Public Employees Retirement System, State Teachers' Retirement System, School Employees Retirement System, Ohio Police & Fire Pension Fund and the Highway Patrol Retirement System) have $145 billion in assets. Since it's small and medium sized companies that generally create jobs in America, the workshop explored the idea that economically targeted investment of a small portion of Ohio public employee pension funds, focused on the expansion of small and medium sized manufacturing companies in Ohio, could generate jobs, economic activity, and taxes in Ohio.

Speakers included Rich Ferlauto of the American Federation of State, County & Municipal Employees (AFSCME), Ken Thomas, Board Member of the Ohio Public Employees Retirement System (OPERS), Daniel Bourcier of the Quebec Solidarity Fund, Judy Alexander of the California Public Employees Retirement System (CalPERS), Pat Flanagan, Landmark Partners, a worker-friendly private equity fund, Arlene Wortsman, a Canadian consultant with the Canadian labor-sponsored investment funds, Tom Croft of the Steel Valley Authority and the Heartland Labor Capital Network.

The workshop looked at the legal theory around economically targeted investment, including that of the Department of Labor on fiduciary responsibility. It examined the experience of economically targeted investments in other states, including that of CalPERS in California, the largest state employee pension system in the United States. It also looked at the experience of the Canadian provincial labor-sponsored investment funds that channel workers' pension savings back into reinvestment in their provinces. For example, the largest of the Canadian funds, the Quebec Solidarity Fund, now has roughly $5.6 billion USD to invest in the province of Quebec, which has a population of about two-thirds that of Ohio.

Other presentations explored the experience of the building trades with economically targeted investments, including the Housing Investment Trust, Business Investment Trust and local building trades investment funds, like the ERECT funds in NE Ohio and Western Pennsylvania; the existence of capital gaps in funding the expansion of small and medium sized manufacturing companies in NE Ohio; and the financial returns on socially responsible investment funds.

Readers can access the papers and presentations on the OEOC's web site at www.kent.edu/oeoc. OAW

Tax Reform Threat to ESOPs Remains Active

Tax reform eliminating ESOPs remains under consideration at the U.S. Treasury Department, with no legislation expected in 2006. President George W. Bush's Panel on Federal Tax Reform has recommended the elimination of all defined contribution plans. The proposal is currently at Treasury, and Congress will not consider the recommendations in 2006.

While not all members of the ESOP community share a sense of urgency about the recommendations, most agree that action to disarm the proposals will be easier to accomplish at Treasury than after the proposal has been submitted to Congress.

An additional threat to ESOPs lies in the Panel's recommendation to simplify small business taxation, which might terminate the income tax exemption of S-Corp ESOP companies.

Michael Keeling, President of The ESOP Association, wrote in The ESOP Report, "What is there to lose to tell the Treasury Department that not only should they not send to President Bush any recommendation that harms ESOPs, S or C, but they should make expanded ownership a goal of any new Federal tax system?"

For those interested in writing to Treasury Secretary Henry Paulson or contacting their Senators and Representatives, The ESOP Association has drafted sample letters in the government affairs section of its website, www.esopassociation.org.

For more extensive coverage of the Tax Reform Panel recommendations, see the previous issue of Owners at Work (Winter 2006). OAW

Ohio's Oldest ESOP

Alloy Engineering's Success Story

Extending ownership to all employees, involving all in managing the business and tying compensation to profits brought a renaissance to Alloy Engineering twenty years ago. Since then, Ohio's oldest ESOP has maintained a spirit of universal participation while constantly evolving the details of its management. Headquartered in Berea, the company was founded in 1943 by Paul Menough at the age of 65 in the attic of his home in Rocky River, Ohio. A mechanical engineer and foundry expert who had a successful career in engineering sales, he started the enterprise because he was interested in using new alloys to improve high temperature metal casting processes.

Menough's ideas are recognized today as important innovations in the annealing industry.

Lou Petonovich, Alloy's President, explained, "As a custom job shop, we continue to develop innovative uses of alloys for the design and manufacture of one-of-a-kind exotic products and high precision fabrications." The firm has 75 employees at its Berea location.

Succession Planning with an ESOP

Menough believed that a business needed well-paid, capable people who were given the opportunity to use their creativity. "Alloy's philosophy hasn't changed much in 63 years," explained Petonovich, "though today we have a work culture based on what an ESOP can do."

Following Menough's death in 1960, his son-in-law Dale Vonderau took over leadership of the business, and by 1974, he was looking for a creative way to pass the reins of leadership to involve everyone committed to the firm. One of the company's outside directors, local attorney Jack Conway, suggested the unusual idea of an ESOP after hearing Louis Kelso, who originated the ESOP concept. In 1974, Alloy became the first business in Ohio with an ESOP and the third or fourth ESOP in the country.

"The ESOP appealed to us," recalled Vonderau. "We enrolled the salaried and management group in the ESOP plan first, using a profit-sharing stock bonus plan. The family stock was sold over time and the trust became the majority shareholder in 1977. It's a good system for a small company."

A New Partnership

In 1985 company management opened the ESOP to Alloy's entire workforce, following a bitter strike. By 1986, all employees were ESOP participants and the company became 75% employee-owned. As Januario Gomes, recounted, "1985 was a turning point. The company was born again. I was the first shop employee to participate in the ESOP." Gomes, who started as a welder-fitter, is now the plant superintendent, overseeing two shifts. Alloy became 100% ESOP-owned in 2000.

"The last 25-30 years have been good," explained Petonovich, "Alloy belongs to all of us and each of us has a direct impact in making the company successful. We share the first dollar of profit monthly through our variable compensation plan. At year-end, we contribute 6-8% of payroll on average to the ESOP and do a 401(k) match. The rest of our profits go toward the growth of our stock value."

Elements of Employee Involvement

Information is shared at monthly meetings held between first and second shift. After each meeting Petonovich walks around the shop to respond to any questions that didn't get asked during the meeting. Additional information on sales and shipments is posted on bulletin boards.

ALLOY ENGINEERING
BEREA, OHIO

"The variable compensation plan is self-motivating," explained Paul Rush, who started with Alloy as a fabricator in 1991 and now coordinates the 15-person prep crew. "Employees see they have a future here so you don't have to stand over people. We are all concerned with hours and beating the job."

Rush also serves as the ESOP representative for shop employees and attends the annual ESOP valuation meeting of Alloy's board of directors. "I didn't understand the ESOP when I volunteered for this role, but now I try to answer employees' questions."

Alloy offers wages comparable to other firms and better benefits. Still, as Alloy's controller, Pat Henneberry, explained, "It's hard to find good people with the skill level we need." Shopfloor employees screen and test recruits.

"We look for people with good attitudes and train them to fit into our system," explained Gomes. "We have a two year learning curve, but you won't be here long if you don't care. We do a good job of bringing people from the ground floor up." Alloy's top salesman for the past five years is an employee who started as a welder-fitter in 1985.

"The ESOP is one factor in our success among a variety of profit sharing mechanisms that help us keep our engineering talent here," explained Rick Turiczek, a mechanical engineer at Alloy since 1988. "Alloy's culture is unique in the engineering field because we are profit-aware and commercially oriented."

Leadership development

To promote employee development, departmental teams were set up to bid on jobs, bring employees closer to customers and provide team members with training for promotions.

Though phased out after about a year, the team concept successfully evolved into several interdepartmental committees. Comprised of four or five employees, the committees make recommendations to the board on capital expenditures, health insurance, manufacturing processes and technology, and safety. Turiczek

explained, "Employees recognize their decisions are important for our short term and long term success, so we have lots of participation in our committees."

The manufacturing committee, for example, includes representatives from both shifts and meets monthly to lower costs and improve productivity. Employees give their suggestions to committee members and read committee agendas and action items posted on the bulletin board.

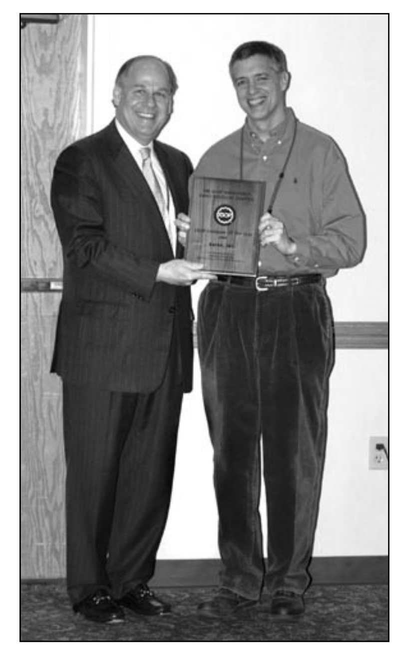
Does an ESOP make sense in today's small business workplace?

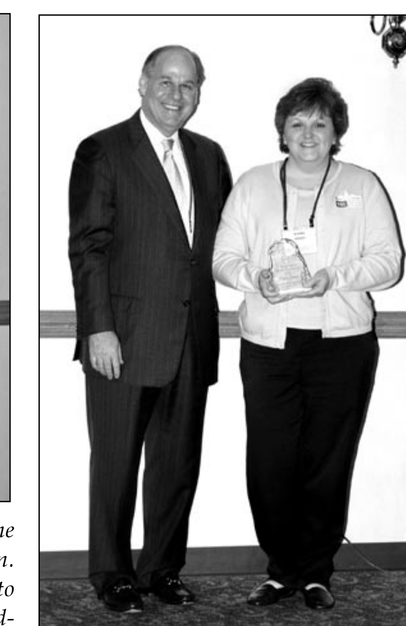
"Employee involvement is not an easy way to manage," explained Petonovich. "Employees must be educated, cross-trained and able to make necessary changes almost daily. Managers have to be willing to respond to difficult questions. We have not given raises in 15 years, but if profits are out there, we share it."

Alloy has grown dramatically. "Our focus is diversification, finding other industries that use our competencies," explained Turiczek. Alloy purchased additional product lines in 1998 and 1999, acquired two competitors in 2002 and 2003, and just opened a new facility in Wellington whose employees are not included in the ESOP.

"The longer we live with our ESOP, the more we like it," says Vonderau, who still works most mornings at Alloy. "We wouldn't have survived without the ESOP. Small companies face a capital shortage. We have to work as a team and create our own capital. Small business can't survive today without employees having a stake and working together." OAW

Several of the ESOP participants who have worked together over the past 20 years to build a successful ownership culture at Alloy Engineering, from left to right: Tom Hathcock, George Ibranyi, Jan Gomes, Lou Petonovich, Bhalkaran Samaroo and Rich Scheimann.





(Left) Burke Inc. receives 2006 Employee-Owned Company of the Year Award from the OH/KY Chapter of The ESOP Association. Michael Keeling of The ESOP Association presented the award to Michael Baumgardner, President and CEO of Burke, Inc. Headquartered in Cincinnati, the firm is a leader in market research; (Center) The ESOP Committee of the Prentke Romich Company of Wooster won the 2006 Group Excellence Award from the OH/KY Chapter of The ESOP Association. PRC develops and makes communication devices for people with severe disabilities. L to R, Paul Richey, Elaine Koch, Keeling, Heidi Schaad, and Cherie Weaver; (Right) Linda Jones of Software Solutions in Lebanon is the 2006 Employee-Owner of the Year for the OH/KY Chapter of The ESOP Association. Linda is a Customer Support Representative and member of the firm's Communication Committee. Software Solutions is a 100% ESOP-owned provider of accounting software to over 200 government agencies in Ohio and surrounding regions.

The Ohio Employee Ownership Top 50

Growing Wealth through Employee Ownership

A quick glance at the Ohio Top 50 lists shows giant Procter and Gamble overshadowing all the rest of employee-owned companies in Ohio. It holds assets of over $14 billion, serves nearly 45,000 participants, and reports a value per participant of nearly $288,000. Procter and Gamble is one of the oldest employee-owned companies in the nation, tracing its commitment to employee stock ownership to 1890.

However, there are other stories in the Top 50 lists as well. It's not only big companies that have created impressive benefits for their employee-owners. Among the five wealthiest plans are four small companies: RE Kramig has just 13 participants; Beverage Distributors, 12; Producers Service, 21 and JP Sand, 15.

Another big story is the growth of employee wealth. The value of assets in employee ownership plans grew from an inflation-adjusted $5.8 billion in 1994 to over $37 billion by 2004.

What is more, closely-held businesses are creating the largest account values for employee owners. Thirty-eight of the top 50 companies with the highest assets per participant are closely-held, even though only twelve of the companies with the most participants are closely-held. In what may be a record performance, closely-held Producers Service was to be closed in 1994, with its equipment moved to China. Now it is #4 in net assets per participant.

The number of firms, however, grew only about 14%. Employee-owned firms in Ohio grew from 297 in 1993 to about 340 (after removing duplicate entries). About 200 firms existed throughout the decade of 1993-1994 to 2004, and about 85 have been ongoing since the mid-90s.

Data for the Ohio Employee Ownership Top 50 were drawn from IRS Form 5500 filings, as compiled by Larkspur Data Resources. The filing dates covered years 2002-2004. Employee-owned firms were identified as those that reported either an ESOP or a stock bonus plan with four or more participants. The data revealed 341 plans holding employer stock in 322 companies. The total value of assets in the plans was over $37 billion, with 487,000 total participants. The average plan owned almost $110 million in assets, and the number of participants ranged from four to 45,000, with a mean of 1,428.

Other companies with significant employee-ownership exist in Ohio, but do not identify themselves as ESOPs or stock bonus plans. The growing popularity and use of ownership has been accompanied by an increase in the forms that ownership may take. For example award-winning Prentke Romich of Wooster reported only a general 401k profit-sharing plan with assets of over $3 million and 96 participants, but after the filing dates covered by this report has begun a transition to an ESOP (see the Winter 04/05 issue of *Owners At Work*, available at www.kent.edu/oeoc/oeoclibrary/index.htm, for the story). Other forms include direct stock ownership, stock options and employee stock ownership as part of a general 401k plan. Some firms with employee ownership call their plans savings plans, and the plans hold employer stock among their assets. In addition, it is likely that there will be more employee-owned cooperatives in the future, now that Ohio law facilitates their use. For a previous incarnation of Ohio's top 50 see *Owners At Work* Summer 2004, also available online at the address above. OAW

Ohio's Top 50, by Number of Participants

	Firm Name	Number of Participants
1	Procter & Gamble	44,912
2	Cardinal Health (largest plan)	43,543
3	National City	38,462
4	American Electric Power Service	29,388
5	Cintas	29,369
6	Parker Hannifin	29,211
7	Keycorp	28,662
8	Eaton	27,921
9	Sherwin-Williams	20,389
10	Goodyear Tire & Rubber (largest plan)	19,905
11	FirstEnergy	18,237
12	Polyone	10,985
13	Charter One Bank	10,049
14	Diebold	6,291
15	The Timken Company (largest plan)	5,231
16	Applied Industrial Technologies	4,281
17	Cardinal Health	3,793
18	Provident Financial Group	3,540
19	Davey Tree	3,443
20	Cinergy (largest plan)	3,231
21	Sky Financial Group	3,156
22	Lincoln Electric	3,149
23	The Ohio Casualty Insurance	3,143
24	Swagelok	3,106
25	Ferro	2,918
26	Roto Rooter	2,435
27	United Companies Financial	2,393
28	Great American Financial Resources	2,277
29	Nordson Corporation	2,166
30	Advanced Drainage Systems	2,029
31	Park National	1,664
32	DPL	1,586
33	The Antioch Company	1,383
34	Heidtman Steel Products	1,339
35	Great Lakes Cheese	1,313
36	Lancaster Colony	1,225
37	Zandex	1,204
38	J M Smucker	1,137
39	Liqui-Box	987
40	Stark Truss	942
41	Republic Storage Systems	881
42	Chiquita Brands	820
43	Omg Americas	790
44	Patio Enclosures	741
45	Cardinal Health	722
46	Riesbeck Food Markets	692
47	The Wornick Company	690
48	DLZ Corporation	675
49	Automated Packaging Systems	654
50	SE Johnson	632

Ohio's Top 50, by Net Assets per Participant

	Firm Name	Net Assets/Participant
1	R E Kramig	$712,118
2	Beverage Distributors	$438,953
3	Procter & Gamble	$287,971
4	Producers Service	$259,196
5	J P Sand & Gravel	$246,894
6	First Niles Financial	$233,427
7	Garland Industries	$207,899
8	Allied Mineral Products	$201,575
9	Buckeye Rubber and Packing	$193,251
10	The Antioch Company	$182,526
11	Marfo	$181,184
12	SG Morris	$180,669
13	Floturn Inc	$175,524
14	Perry Corporation	$172,074
15	Fastener Industries	$164,780
16	Ohio Valley Supply	$164,266
17	Roush Equipment	$162,924
18	Richard Goettle	$161,149
19	The Wornick	$153,390
20	Home Loan Financial	$132,465
21	Deco Tools	$131,775
22	Swagelok	$128,706
23	Great Lakes Construction	$123,483
24	Akron Hardware Consultants	$116,406
25	Messer Construction	$115,774
26	Asb Financial Corporation	$115,261
27	South Texas & Lone Star Dry Wall	$112,546
28	The Philpott Rubber	$111,661
29	Vi-Cas Manufacturing	$108,561
30	Sea-Land Chemical	$105,235
31	FirstEnergy	$94,153
32	Carter Machine	$93,802
33	Webb Insurance Agency	$92,423
34	Wallingford Coffee Mills	$89,332
35	American Electric Power	$84,896
36	Timken	$81,439
37	Nordson	$81,409
38	Cinergy (highest value plan)	$80,326
39	WMOG	$80,275
40	Cyril Scott	$78,750
41	J M Sealts	$76,397
42	Power Transmission Technology	$76,121
43	Koenig Equipment	$75,771
44	Cedar Bay Construction	$74,112
45	Leonard Insurance Services Agency Inc	$74,091
46	American Light Company	$71,960
47	Edward Howard & Company	$71,300
48	NB&T Financial Group	$71,240
49	Peoples-Sidney Financial Corporation	$70,752
50	Star Bronze Company Inc	$69,902

Ohio's Top 50, by Total Assets

	Firm Name	Total Assets
1	Procter & Gamble	$14,289,812,759
2	American Electric Power	$2,494,912,946
3	National City	$1,975,749,037
4	Eaton Corporation	$1,944,245,706
5	Goodyear Tire & Rubber (2 combined plans)	$1,849,027,000
6	Parker Hannifin Corporation	$1,823,870,428
7	FirstEnergy	$1,717,074,284
8	Keycorp	$1,704,217,813
9	Cardinal Health (3 combined plans)	$1,481,405,170
10	Sherwin-Williams	$1,237,026,383
11	Timken (4 combined plans)	$609,849,716
12	Swagelok	$492,084,275
13	Charter One Bank	$425,439,817
14	Cintas	$402,457,057
15	Cinergy (2 combined plans)	$386,895,467
16	Diebold	$326,685,414
17	PolyOne (3 combined plans)	$319,188,431
18	The Antioch Company	$252,433,490
19	Applied Industrial Technologies	$219,762,673
20	Nordson (2 combined plans)	$193,289,112
21	Ferro	$189,676,705
22	The Wornick Company	$147,699,559
23	Provident Financial Group	$140,324,000
24	Ohio Casualty Insurance	$135,326,440
25	Lincoln Electric	$132,470,883
26	DPL	$127,405,694
27	Advanced Drainage Systems	$116,620,193
28	Park National	$68,238,678
29	Garland Industries	$64,592,854
30	Allied Mineral Products	$60,069,345
31	Floturn	$57,873,458
32	The J.M. Smucker Company	$55,109,714
33	Sky Financial Group	$52,639,687
34	Davey Tree	$49,073,648
35	United Community Financial	$48,260,119
36	Lancaster Colony	$47,817,231
37	Great Lakes Cheese	$45,247,623
38	Messer Construction	$44,923,805
39	OMG Americas	$42,329,492
40	Chiquita Brands International	$40,277,394
41	Price Brothers	$39,245,427
42	Marfo	$39,137,715
43	Fastener Industries	$38,888,158
44	Great American Financial Resources	$35,817,018
45	Perry Corporation	$31,852,002
46	Automated Packaging Systems	$31,496,491
47	DLZ	$31,479,794
48	S.E. Johnson	$26,811,460
49	Heidtman Steel Products	$23,765,171
50	Cyril Scott Company	$21,647,882

"That sort of sounds like SOCIALISM to me."

Corey Rosen

Keynote Address
OEOC 20th Annual Employee Ownership Conference
April 21, 2006

I want to trace how employee ownership developed over the last thirty years or so and some of the things we've seen change over the years.

In the 1970's when ESOPs were first created, I remember going to my boss, Senator Gaylord Nelson, a very liberal senator. "Senator Nelson, I would like you to co-sponsor this legislation that would let people who sell to their employees get a deferral of their capital gains tax." He said, "That sort of sounds like socialism to me." There was a lot of difficulty in those days convincing the liberals that employee ownership was a good idea. The conservatives looked at it and thought we were capitalists, and we know what capitalists do. They vote for Republicans. The liberals looked at it and said it would undermine pension plans, and unions might not be happy with this. Well, they got over that and very quickly employee ownership became something that everybody supported.

Even though there was consensus that if you did employee ownership well it might actually be a good idea, it was a hard sell for a long time.

In the 1970's, companies did it primarily for the tax breaks. There were maybe 5,000 ESOPs by 1981, a lot of them in public companies. Very few owned more than half their company's stock. Typically, they owned less than 20%. Very few were creating an ownership culture. It was just a tool of corporate finance. When we started studying this, we wanted to find what would make these plans work better, what would make them come to embody the vision of creating a different kind of company—one that treated employees with dignity and respect and solicited their ideas and information; one that would generate more growth, more jobs, and more wealth to be shared among everybody. What we found was that you need to do more than just give employees ownership.

In 1981, Phelps County Bank in Missouri set up an ESOP. It provided a good financial benefit, but little else was happening. I talked to the chairman who had sold to the ESOP. He said, "Our President is actually trying to get employees to share ideas." She decided that it's good to provide a financial benefit, it's good to communicate it, but now let's provide the mechanism for employees to share their ideas and information through structured opportunities to have more decision making authority over their jobs. She started doing that in the mid-1980's and Phelps really took off. A few years ago, a couple who had shared the janitor's job retired after thirteen years in the ESOP and they got a check for $300,000.

That movement from "It's just a financial tool," to "Well, maybe it's a good financial benefit," to "We should really create an ownership culture," has been one of the most remarkable things that has happened in the employee ownership universe over the last 20 to 30 years. We see now a widespread acceptance of these ideas among employee ownership companies.

Research found that companies that just set up Employee Stock Ownership Plans and that's all they did, had the same top down, command and control kind of structure they did before--when you looked at how they did relative to their competition prior to their plans, they were a little better. When you looked at how they did after they set up their plans, they were a little worse. They had raised employee expectations about being owners and failed to meet them. The companies that communicated effectively, provided a good benefit, and created a high involvement management system went much higher. They were growing 6-11% per year faster than other employee ownership companies. As that data and those stories started to circulate, the employee ownership community changed pretty dramatically. That's one of the major trends.

The second is simply the growth of employee ownership over the years. In 1986, there were 6,000 or 7,000 ESOPs covering several million employees. Today, there are about 11,000 covering between 10 to 11 million employees. Also, it's not just ESOPs anymore.

In the late 1980's, companies who were looking at the success ESOPs were having but didn't like the rules or didn't need the tax benefits said, "How else can we share employee ownership?" One of the alternatives was that companies started giving stock options, which give you the right to buy stock at a price fixed today for a period into the future. One of the first companies to do this was Starbucks. There have been few companies that have performed better.

In the late 1980's to early 1990's, some then-small technology companies like Microsoft, Intel, and Cisco said their companies don't have machinery, they don't have financial capital, their assets are what is in the heads of the people who work for them and not just the ideas they created yesterday but the ideas they will create tomorrow. If those people leave, the companies are gone. So how did they engage their people? They made them owners. Most technology companies, then and now, give some kind of ownership to most or all of their employees and that has spread into a number of other sectors as well.

Another way employee ownership started to grow was through 401(k) plans. Companies were saying that they liked the idea of employees being owners. Rather than matching their deferrals into the 401(k) plan with cash, public companies could match it with their own stock, which will dilute the shareholders some, but it is cheaper than using cash. It reached the point a couple of years ago where 19% of 401(k) assets were held in company stock. That, of course, has been a distinctly mixed blessing.

The ESOP community looked at the issue of 401(k) plans and said, the ESOP is a great benefit but we need something diversified too; so something like 90% of ESOP companies have diversified 401(k) plans as well. It is much higher than other companies. In fact, ESOP companies are much more likely to have other retirement plans than comparable companies are to have any retirement plans.

Employee ownership didn't grow just in the United States. England and Ireland have laws parallel to those in the United States. France is about to pass legislation that would look something like U.S. ESOP legislation, but with more tax benefits. South Africa is starting to encourage broad based employee ownership. China has employee ownership in some provinces, and China's largest multi-national corporation is entirely owned by its employees. Employee ownership can be found in other countries as well.

A lot of good things have been happening with employee ownership, but needless to say some bad things, too. Companies that set up employee ownership plans grow 2 - 3% per year faster than you would expect if they didn't. Companies that share stock options with most of their employees show a 17% increase in productivity after they set up their plans. These are good things for their companies. What about employees? Have employees fared well? They sure didn't at Enron and WorldCom and United and other places, but you can also find a lot of examples on the other side. Researchers found that employees have about three times the total retirement assets if they work for an ESOP company and 5 - 12% higher wages than would be the case if they worked for a comparable non-ESOP company. We found that employees who work for 100% ESOP S-corporations had a median account balance of close to $200,000 when they reached age 55 - 64 compared to the national average of $45,000; they all had 401(k) plans, except one, and the companies' contribution to those plans was just as large as most non-ESOP companies is to their 401(k) plans. So a lot of great things have happened.

Today there are 25 - 30 million employee owners in the United States. It is no longer a weird idea. It is growing all over the place and I think we can be very proud of what has been accomplished. Some years ago, I heard Cecil Ursprung, CEO of Reflexite Corporation, speak at one of our conferences. His friend asked how the ESOP was going and he said, "I think we are about half way there." Ten years later, the owners, who had initially sold 50% to the ESOP, sold their last 8% for more than they had sold the 50%. This is clearly a very successful company, and his friend asked again how he was doing with the ESOP, and Cecil said, "We're about half way there." The friend noted that this is what he told him ten years ago. And Cecil said, "Yeah, but 'there' moved."

As we have seen employee ownership grow, both within our own companies, as well as nationally and internationally, all of us feel like "there" keeps moving. It is nice to look back and see all the distance you've traveled, but there is still a long way to go because new horizons have opened. Ultimately employee ownership grows because it is good for the business enterprise, but the real reward at the end of the day is that it is also good for the human enterprise. OAW

"Today there are 25 - 30 MILLION EMPLOYEE OWNERS *in the United States. It is no longer a* WEIRD IDEA. *It is growing all over the place and I think we can be very proud of what has been accomplished."*

Employee Ownership: Creating Companies **Worth Keeping**

Roughly 320 people commemorated the 20th Annual Ohio Employee Ownership Conference April 21st at the Hilton in Fairlawn, Ohio. After welcoming remarks from Daryl Revoldt, Governor's Region 9 Economic Development Representative, and John Logue, OEOC Director, keynote speakers Corey Rosen, Executive Director of the National Center for Employee Ownership (NCEO), and Steve Sheppard, former CEO of Foldcraft Company, addressed the crowd. With statistics and stories, Rosen traced developments in the ESOP movement over more than 30 years. Sheppard talked about his key conclusions for maximizing the strength of employee ownership and "companies worth keeping." Rosen's speech can be found in this newsletter and Sheppard's will appear in the next issue.

Following the plenary meeting, the morning round of discussions offered a choice of seven panels featuring employee owners from Ohio companies as well as professional service providers. People wanting to continue the theme of the Conference with the keynote speakers attended the panel on *Creating Companies Worth Keeping*. The panel on the *ABCs of ESOPs for Employee Owners* featured Dave Gustafson, Moore Stephens Apple, and Jim Steiker, SES Advisors. The panel was moderated by Randy Leffler, Ohio Manufacturers' Association. The panel on *ESOP Communications Using Creativity, Not Cash* heard from Chris Aguilar, R.J. Martin Electrical; Karalee Canham and Elyse Siggelkow, ACRT, and Linda Jones, Software Solutions, on what their communications committees have been doing. Dallas Moore, Appleton Paper, served as panel moderator.

The topic of *Best Practices in Managing, Governance & Strategic Planning in ESOPs* was ably tackled by CEOs Jeff Evans, Will-Burt, and Mary Pat Salomone, Marine Mechanical, along with service provider Jack Veale, PTCFO (Professionalizing The Corporate and Family Organization). The panel was moderated by Bob Taylor, Falcon Industries. The question of when an ESOP is an appropriate succession plan was addressed by Barry Romich, Prentke Romich; Jim Aussem, Weston Hurd, and Richard Schlueter, ComStock Valuation Advisors, members of the panel on the *ABCs of ESOPs for Retiring Owners* with moderator Richard Tanner, Ownership Advisors. There are always questions about fiduciary responsibility and liability. A panel titled *20 Misconceptions Regarding Fiduciary Responsibility & Liability* with Ben Wells, Dinsmore & Shohl, and John Banasek, Prairie Capital Advisors, had the task of clearing up the issue. This session, moderated by Bill McIntyre, OEOC, included guest experts Dave McCoy, Business Valuations; Tina Fisher, Principal Financial Group, and Jeff Gelburd, Marsh USA. Another technical panel in the morning round looked at *ESOP Account Benefit Distribution Alternatives, Issues & Implications*. Providing the answers were Tim Jochim, Jochim & Associates; Melissa Spencer, Swerdlin & Company, and Pete Shuler, Crowe Chizek. Dan Riemenschneider of Brott Mardis served as panel moderator.

(From left to right, counterclockwise) Keynote speaker Corey Rosen, Executive Director of the National Center for Employee Ownership surveys the growth of employee ownership in the U.S. and around the world (his speech can be found on pgs. 10-11 of this issue); Steve Sheppard, former CEO of Foldcraft Company, delivers an inspiring talk about his experiences (his speech will appear in the next issue of Owners At Work*); employee owners from "Companies Worth Keeping" celebrate 20 years of employee ownership at their firms (details can be found in this story); Dave Baird (l), one of the new employee owners, and Doug Beavers, one of the selling owners, of Select Machine received the First in the Nation Award for setting up their co-op using a 1042 rollover.*

The invocation by Sister Mary Eileen Boyle, Ursuline Sisters of Cleveland, and lunch were followed by the *2006 Ohio Employee Ownership Awards*, presented to companies that demonstrate exceptional leadership in contributing to employee ownership. Select Machine was given a *First in the Nation Award* for pioneering the use of the 1042 rollover in a cooperative. At this 20th Annual Ohio Employee Ownership Conference, 18 companies were honored for the *Achievement of 20 or More Years of Success with Employee Ownership*. The companies were: Alloy Engineering, Cedar Bay Construction, Chilcote, ComDoc, Dimco-Gray, Fastener Industries, Goldsmith & Eggleton, Great Lakes Construction, The Mosser Group, Ohio Valley Supply, Oswald Companies, Peoples Services, Riesbeck Food Markets, The Ruhlin Company, Sims-Lohman, Voto Manufacturers Sales, The Will-Burt Company and Xtek.

The rest of the day featured discussions ranging from ESOP technical issues to issues of ownership culture. *Lights, Camera, Action: Telling Your ESOP Story with Electronic Media* showed how regular folks without expensive equipment or a lot of expertise can make a movie about their ESOP company. The panelists were Nancy Young and Heidi Schaad of Prentke Romich Company and Paula Consolini of Williams College. The session was moderated by John Habanek, Great Lakes Construction. Highlights from twenty years of employee ownership were shared by Mike Boydston, Andrea Capuano, Eileen Cowgar, Syl Frazzini, Carolyn Payerle and Joyce Swords of ComDoc on the panel *Great Employee-Owned Workplaces – Sharing 20 Years of Success*. The panel was moderated by Gregg Cramer, Summit Business Partnership. A look at what goes into setting up an ESOP account and how it operates was provided by Dan Bell, OEOC, and Loren Rogers, NCEO, in the session on *ABCs of ESOPs Special Topic: Building Up My ESOP Account*. Conference participants who are trustees, board members or members of an ESOP administration committee got an update on the hot topics of the day from David Ackerman, Morgan Lewis; Karen Bonn, GreatBanc Trust; Dave Heald, Consulting Fiduciaries, and Jeff Gelburd, Marsh USA, in the session *ESOP Trustees – Current Issues & Legal Update*. Moderating duties for this panel were handled by Steve Pittman, Bruner Cox. Another technical panel, *Repurchase Obligation & Its Impact on Valuation, Cash Flow & Strategic Planning*, moderated by Jeff Rosen, Star Leasing, featured panelists Radd Reibe, Stout Risius Ross; John Wirtshafter, McDonald Hopkins, and Judy Kornfeld, ESOP Economics, focusing on how to properly manage the repurchase obligation.

Conference participants attending the panel on *Employee-Driven Buyouts Using ESOPs* were able to listen to the stories and experiences of two recent employee buyout efforts, one in Chillicothe at the NewPage paper mill and the other involving the Hoover vacuum cleaner plant in North Canton. Panelists were Mark Dixon, USW Local 731; Stephen Brown, Glatfelter Company; Jim Repace, IBEW Local 1985; Eric Bowles, City of North Canton, and Jim Steiker, SES Advisors. The panel was moderated by Deborah Groban Olson, Attorney. Also of interest to prospective ESOP companies was the session *Step-by-Step Process for Selling Your Business to Your Employees*. Moderated by Stephen Baumgarten, Morgan Stanley, this informative panel featured Kurt Nichols, LaSalle Bank; John O'Brien, Duff & Phelps; Ron Stansbury, Calfee Halter Griswold, and Rosanne Aumiller, Barnes Wendling. Another panel of special interest to small companies contemplating a sale to their employees was the panel on *Employee Buyouts of Small Companies: How to Get the 1042 Rollover While Using an Employee Cooperative*. Examining the recent precendent-setting sale of Select Machine were Doug Beavers and Dave Baird, Select Machine; and Mark Stewart, Schumacher Loop & Kendrick. Bob Stewart, Ohio Farm Bureau and Nationwide Insurance, served as the moderator.

Leaders at three ESOP companies discussed methods they use to communicate and educate about key concepts that impact profitability on the panel *Communicating About Key Business Concepts*. The panelists were Mike Poyer, Gutknecht Construction; Gerry Kesselring, Contract Sweepers & Equipment, and Tom Ochs, Ohio Valley Supply. The discussion was moderated by Tom Roback, Blue Ridge ESOP Associates. A look at team performance planning and other approaches for process improvement was the topic of the panel on *Beyond the Buzzwords for High Performance*. Diane Bartlett, ACRT, was joined by Mike Culbertson, PT Tech, and Rich Bohan, NEO Center for Labor Management Cooperation at WINOC.

Enjoying the Fruits of My ESOP Account with Dan Bell, OEOC, and Alex Moss, Praxis Consulting Group, took a deeper look at how employees make "withdrawals" from their ESOP account and what their company does to prepare for this. Ron Gilbert, ESOP Services; Kreg Jackson, Houlihan Lokey Howard & Zukin, and Joe Hark, Unette Corporation, highlighted approaches taken by ESOP companies in accomplishing mergers and acquisitions on the panel *Using ESOPs for Mergers and Acquisitions*. Moderating the discussion was Ray Dunkle, Brockman Coats & Gedelian. Another technical-track panel brought participants up-to-date with *Complying with S-Corporation Anti-Abuse Rules*. Stephen Smith, Krieg Devault, and Becky Hoffman, Principal Financial Group, served on the panel moderated by Debra Skinner, McCready & Keene. Twenty-six of the conference presentations and audio of the keynote speeches are available on the OEOC online library at www.kent.edu/oeoc.

Following the formal program, a closing reception was held and the discussion continued in a relaxed atmosphere. At the end of the day, our position as the best one-day ESOP conference in the country was safe once again! We thank everyone who helped make the conference the largest employee ownership event in the region and we look forward to seeing even more folks next year as we celebrate the 21st Annual Ohio Employee Ownership Conference to be held Friday, April 20, 2007. OAW

OAW Interview

Emilia Romagna's Success: A Model for Ohio Manufacturing?

Matt Hancock, *Project Director at the Center for Labor and Community Research*

The last issue of Owners at Work published an extended article on the employee-owned sector in the Emilia Romagna region around Bologna in Northern Italy. In this interview, we ask Emilia Romagna expert Matt Hancock to place the employee-owned sector—about 4000 firms in this region with 4 million people—in the context of the region's very successful economic development policy which focuses on small businesses, particularly small manufacturing businesses. Our question: what can be replicated in Northeast Ohio?

OAW: *Emilia Romagna is characterized by very small businesses, yet is highly competitive in GDP, exports, and patents within the European Union. How is this possible?*

Matt Hancock: There are 300,000 firms in this region with only 4 million people, one of the largest concentrations of small firms in the industrial world. Of those firms, 99% of them have less than 250 employees. The average manufacturing firm in Emilia Romagna has only 10 employees. Only 1% of firms have 250 or more employees.

The big firms use a flexible manufacturing network model to produce the majority of their product. Ducati is a good example. Ducati makes motorcycles. But 90% of the motorcycle is made outside of Ducati by its network of sub-suppliers. So there is a lot of value being produced before the motorcycle gets assembled by Ducati.

This model developed as a response to the market for the development of an economy that was based on micro and small enterprises. None of these small enterprises would be able to compete alone, but they could when groups of firms work together.

The development of flexible manufacturing networks was aided by regional policy, which tended to concentrate businesses in a particular area and to provide a lot of support to business development, initially in terms of infrastructure and loans, later in terms of business development services, and today in terms of more advanced things like marketing and research and development, which encourage groups of firms to get together and meet their needs collectively.

I read that the model is changing...

Emilia Romagna's flexible manufacturing networks are now moving from an informal arrangement to something more formalized. There are two models.

In the first model, a lead firm emerges and coordinates the network. That's one of the firms that used to be small but has gotten a little bit bigger and maybe has 250 to 500 employees. It is now beginning to assemble the final product. A customer from Germany or China or the United States, instead of going to one of the small firms that is a component manufacturer, now goes directly to one of the larger firms that is actually producing the final product. There are now a small number of larger firms emerging at the interface between the market and this network of suppliers. This means you are getting increased vertical integration, more formal relationships, experience of real co-design and co-production, rather than an informal network.

The second model that is emerging is a "virtual firm" where the smaller firms set up their own virtual company, almost like a second tier co-op. In effect, they create their own customer that then will interface with the market for them. This allows them to bid on jobs collectively. The most advanced of these "virtual firms" is a company called Dico Service. Dico is made up of 17 small firms that are in a formal network. They have their own brand. They do about $17 million in sales a year and that is expanding. They have customers in Rochester, NY, Germany, and throughout Italy. They simply created their firm to represent their network.

Why do you think this works so well?

In production it works because you have people who are technically very competent: They know how to work machinery but also have theoretical backgrounds that allow them to become a designer of components. They've been through technical schools that stress both. They have the skills needed to run a business and they have a genuine passion for producing quality products. Another key is that they are overwhelmingly geared toward export, not just out of their region but throughout Europe. They are producing for the Chinese market, they are producing for the Brazilian market, they are producing in Eastern Europe for markets there. There is a real demand for the products that they are making. Everyone is so specialized that there is enough work to go around.

One of the trends is that the small firms that used to have only two or three employees are now getting bigger. The average firm now has 10 employees. They are beginning to introduce more sophisticated management techniques but everyone that I have spoken with in the flexible manufacturing network says that the keys are flexibility and specialization. If a new division or specialization develops within a firm and they get beyond three or four employees, they spin them off into a new company.

What role does public policy play in all this?

A decisive one. It starts from things as simple but fundamental as making sure that the infrastructure in the region is the best that it could possibly be. That means roads and public transportation to get people to work comfortably and effectively.

After World War II, public policy made it possible for people with no money but with a lot of skills to become business owners. Cities used eminent domain to take over unused land and used public money to develop it and the kind of infrastructure that industry requires. They would then sell it at cost, below market prices, to small business owners and co-ops.

In the 1970s and 1980s you had an economy that was competitive but it was mostly first generation owners who were technically very competent but who did not have the management skills for the global market. Individually they didn't have the ability to bring in new automation that the market was demanding. The service centers were born out of the dialogue between these businesses and the regional government. The service centers responded to what small businesses in the sector said they needed: quality control, quality certification, management, automation and R&D. Today the service centers put small businesses in a position to be able to deal with the universities and foreign markets more effectively.

Do the service centers provide support for exports?

Not generally. That's provided by the business associations instead.

And the business associations are based on an industrial sector?

No, they are based on business size, not sector. There are two small business associations in Emilia Romagna. The largest one is associated with the left wing political parties. The second largest one is associated with the Christian Democrats.

They work with a group of firms in a particular industrial cluster. They will use public money, for example, to take the textile producers to Eastern Europe or China to develop relationships with suppliers or clients there. Or they take a group of fashion designers from Emilia Romagna to important fashion shows around the world.

Small businesses generally have trouble with raising capital. What is the story on this issue?

Small businesses used to be essentially started with sweat equity. That's no longer feasible because buying a CNC machine is a lot more expensive than buying an old manual lathe. So more and more banks are stepping in to provide small business loans. The business associations, in cooperation with the regional government, create loan guarantee consortiums to reduce the interest rates that small businesses are paying. A member of the CNA, which is the small business association, for example, gets a preferred interest rate with banks that are in the Network.

And that is because the business association is providing the loan guarantee?

Exactly. Your collateral is the faith and credit of the regional government and the business association you belong to.

The regional government also has a range of other policy tools. For example, if the regional government, in cooperation with labor and businesses, has identified certain priority areas for automation, you can apply for a grant to purchase a new piece of equipment because it is a collective competition good; it is not proprietary. There are all sorts of unique financing mechanisms that help small firms upgrade their equipment. Some of these are outright grants. Sometimes it is just reducing interest rates for loans on equipment.

So what you are depicting here is a kind of regional industrial policy.

Absolutely. The regional industrial policy is usually done on a 3-year plan. There is an annual conference on the economy. It's convened by the regional government which researches and develops a plan that is then discussed and debated with the "social partners": labor unions, business associations, agricultural co-ops.

Let's talk about transferability. Northeast Ohio has a population the same size as Emilia Romagna. If our new Fund for Our Economic Future wanted to introduce some of Emilia Romagna's characteristics here, what do you see as most transferable?

Focusing economic development policy on a sub-national—local or regional—level can be very effective.

What's striking about Emilia Romagna is that while they have done some amazing things in terms of industrial policy and, now, around innovation and linking high-tech advanced research with manufacturing, they have always had very limited resources. American state, city and county governments all have greater ability to raise revenue. They have much larger budgets, and they have control over the money that they are raising. In terms of resources, we are at a greater advantage.

The Emilia Romagna regional government doesn't pick winners. They don't say "This year we want to start the ceramics industry or a bio-tech industry in Emilia Romagna." Instead, research identified existing industrial clusters and they look at the needs of these clusters. How could policy increase the competitiveness of the cluster as a whole? There's regional cooperation with the business associations. Nothing was imposed on the cluster. It's a dialogue.

It's also important to look at the underlying structure that makes this successful.

It is the same as what you guys are

⟶ Pg. 16

Hancock (far right) visits with members of the Zappettificio Muzzi Cooperative, an agricultural implement part producer. (From left) San Giorgi, Vice President for Legacoop Imola (the cooperative association), and Paolo Martelli, Carlo Zanardi and Andrea Belletti from Zappettificio.

"Getting these different social partners to sit around a table is fundamental but then you need to build a common vision"

Hancock **Continued from page 15**

doing here. The OEOC's Advisory Board brings together labor, business, government and members of the ESOP community. Getting these different social partners to sit around a table is fundamental, but then you need to build a common vision that the different social partners can all fine tune and advance.

What might come out of that? A service center might be appropriate, or maybe a loan guarantee consortium is important.

Another key thing about Emilia Romagna is the overwhelming degree of consensus around the long-term vision that ties economic development very explicitly to social development. That is a commitment to maintaining and expanding the manufacturing economy as the key to having a healthy service sector economy. This is a vision that is shared by all the social partners.

Finally, the government in every level of Emilia Romagna has been recognized as being one of the most, if not the most, efficient, honest and transparent governments in Italy. That makes doing business very easy. They have tried to cut through as much red tape as possible because that is a deterrent to starting a business or expanding a business.

Matt Hancock is Project Director at the Center for Labor and Community Research in Chicago and holds a masters degree in cooperative economics from the University of Bologna, Italy. The full interview can be downloaded from http://dept.kent.edu/oeoc/oeoclibrary/HancockInterviewMarch2006.htm. A number of his articles on various aspects of the Emilia Romagna model are in the OEOC on-line library at http://dept.kent.edu/oeoc/oeoclibrary/index.htm#Cooperatives. OAW

Items in Brief

Succession Planning Program Grows

After more than 10 successful years in the Cleveland area, the OEOC, in partnership with the Greater Akron Chamber, rolled out the Akron-area Business Owner Succession Planning Program this past spring. The program attracted 22 small business owners and managers from 19 area companies. Twenty-three participants from 17 companies attended the Cleveland program, which is co-sponsored by the Greater Cleveland Partnerships Council on Smaller Enterprises (COSE).

The program is designed to provide owners and managers of small-to-medium-sized closely-held businesses with the information they need to start planning for succession, with the goal of anchoring businesses and jobs in their communities. Each session is taught by a recognized local and national professional in the field.

Too many otherwise healthy small businesses don't make it to the second and third generation due to incomplete or nonexistent succession planning," says program coordinator Chris Cooper. "We want to do what we can to change that, and we think these programs are a good place for business owners to start."

More information on both the Cleveland and Akron Business Succession Planning programs, including schedules of seminars for fall 2006, can be found at www.kent.edu/oeoc/spp or by calling Chris Cooper at 330-672-3028. OAW

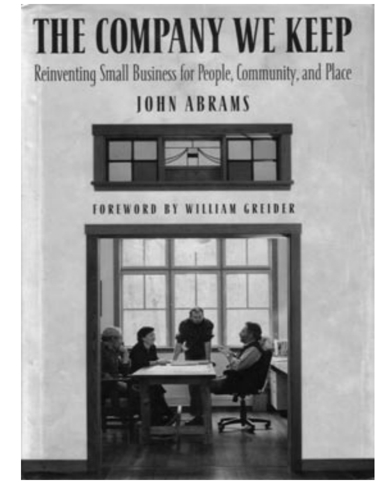
Ohio's Prefeasibility Study Grant Program

Is a plant in your area in danger of shutting down? Can anything be done to keep it open? If employee ownership offers an opportunity to keep the plant open, the Federal Workforce Investment Act provides funds for preliminary feasibility studies. The Ohio Department of Job & Family Services, which administers the Workforce Investment Act in Ohio, has contracted with the Ohio Employee Ownership Center at Kent State University to administer the Ohio prefeasibility study grants program.

Grants are available to buyout committees that are exploring employee ownership. The purpose of the study is to determine whether further feasibility work and a business plan are warranted. To be eligible for a grant, there has to be a clear threat of job loss or shutdown. There also needs to be a buyout committee to act on behalf of the employees as buyers, and the committee needs to raise some matching funds.

The size of the prefeasibility study grant is typically in the $10,000-$20,000 range, but larger grants are possible when there is particular justification. The application process is streamlined. For more information, contact the OEOC at 330-672-3028.

New **In Print**



John Abrams, **The Company We Keep: Reinventing Small Business for People, Community, and Place,** (Chelsea Green Publishing Company, 2005).

John Abrams tells the inspiring story of South Mountain Company, a design and build enterprise on the island of Martha's Vineyard, Massachusetts, and provides a clear explanation of eight principles that he believes account for its success. He sets off to explore the question: "Can small business, supported by strong underlying principles, help make better lives and better communities? ... [and] help build a future that's sane and just?" Abrams' answer: Yes, if it seeks to provide enough for all stakeholders, rather than focus only on maximizing shareholder profit.

Abrams co-founded South Mountain Company in 1975. In 1987, he chose to limit his personal claim on control and profits and restructure as an employee-owned co-operative. By doing so, Abrams was able to find something even more valuable – the solidarity of a community of peers and the opportunity to positively shape the broader local community. "It also turns out that my work has been so completely enmeshed with all the parts of my life that it has never felt different from play. I remain uncertain about the difference."

The heart of the book is eight chapters defining and illustrating the eight principles with concrete examples from South Mountain's experience and quotes from the writings of organizational development gurus. These are:

- Cultivating workplace democracy: "Together we've become, at once, better problem solvers and better dreamers. There's a lot to be said for ownership and the responsibility it encourages. As someone once observed, 'In the history of mankind, nobody has ever washed a rented car.'"
- Challenging the gospel of growth: "The pursuit of concentrated power and wealth may be like chasing a porcupine—if you're not careful, you just might catch it ... There are optimal scales for different businesses … We need to think more broadly about the meaning of growth … The concept of 'enough' has a place in our internal debate."
- Balancing multiple bottom lines: "We are still small enough to stay closely connected to our roots, to do business on a handshake, to all gather in one small room, to know each other as people and not only as coworkers, to recognize one another as collaborators in pursuit of multiple goals. Living the language of our mission, goals, and purposes, and learning to collaborate together, has shaped a dedicated, skillful, compassionate body of decision makers. Nobody's getting rich, but we are living comfortably doing the work we enjoy in the location of our choice. All of us are able to make good livelihoods because no one of us is getting rich … 'He who knows he has enough is rich (Chinese philosopher Lao-tzu)' We are rich in multiple bottom lines."
- Committing to the business of place: "We treasure the opportunity to limit our work to this complex little island that we've come to know well, that's still a fine place in which to live and work … We've tossed our hat in the ring here and tied our future to the future of the Vineyard. We expect no windfalls … We're eager to see what's around the next bend and pleased to be able to take part in the evolution of this place. We're staying close to home."
- Celebrating the spirit of craft: "In the late 1600s the finest musical instruments originated from three families in the small Italian village of Cremona ... Outside [the first] shop hung a sign: 'The best violins in all of Italy'…Their neighbors … hung a bolder sign: 'The best violins in the world' ... On [the third's] front door was a simple notice: 'The best violins on the block.' South Mountain is trying to make the best buildings on the block … Not 'important' buildings. Buildings that, first and foremost, serve the needs of the people who inhabit them by supporting and nurturing their health, satisfaction, productivity and spirit."
- Advancing "people conservation" "A community consists of a place and those who have a relationship with that place: the land and the people. Land conservation is a familiar concept, but now we have to think about people conservation as well. Affordable housing is less about houses or land or development and more about people who belong in and love a place being able to afford to stay in that place.
- Practicing community entrepreneurism: "When a community of people own the business, there is a collective self-interest that drives us to give back to the region that sustains us, to share our wealth and expertise to help build a stronger place. This is community entrepreneurism—the commitment of business to bringing new ideas, investment, and problem solving to a local community."
- Thinking like cathedral builders: "Some ancient cathedrals took centuries to build … The work continued as the cast of characters changed ... 'Founders and managers of long-lived companies, a hundred years or more in the past, did not link their values to a particular product, service, or line of work. They knew, or sensed, that the life mission of a work community was not to produce a particular product or service, but to survive: to perpetuate itself as a work community (Arie de Geus, The Living Company).' We see South Mountain as a community … We are organized around the idea of maintaining and perpetuating our community for one another and for future generations."

The philosophy of enough rather than more gave the owners of South Mountain the ability to shape their company to conform to their values, rather than blindly maximizing wealth and power. "Once big enough, [businesses] can grow better, not bigger," says social philosopher Charles Handy.

Abrams closes with a chapter on ways to replicate South Mountain's experience. He also provides three appendices laying out more concrete details of the company's model and experience.

The Company We Keep is about a work in progress, "... along a path to a more democratic, more responsible, more permanent kind of company." OAW

ComDoc Creates a Company Worth Keeping

ComDoc employee-owners presented their vision, "A Great Place to Work and a Great Place to be a Customer," during a panel discussion at the April 21st conference. Incorporated in 1955, ComDoc provides copier, fax and printer solutions and employs 540 partners in 5 states. The firm is 42% employee-owned, and recently celebrated the 20th anniversary of their ESOP. They believe that their culture of ownership, core values and beliefs drive their ongoing success and the results are clear—revenues have increased from $18 million in 1984 to $101.5 million in 2005; and company stock value has grown from $8 per share in 1985 to $262 per share in 2005.

A Passionate Commitment to Customers, Partners and Communities

ComDoc asks each partner to be ADEPT—Accountable, Decisive, Ethical, Passionate, and Trustworthy—and these core values inspire them to focus outwardly. As Andrea Capuano, ComDoc's Director of Human Resources, explained, "We have a culture of community service here at ComDoc, and it benefits us in many ways. Our partners feel good about giving back to our communities and our customers see us as an organization that invests in our communities." In 2005, ComDoc celebrated their 50th anniversary in business with the "50 Ways ComDoc Cares" program. ComDoc partners at all 10 of their locations were encouraged to organize community projects throughout the year to meet that goal. "We definitely surpassed that goal," states Capuano. "I think we ended the year with over 60 projects—I'm still hearing about ones that didn't make our list!" The programs included efforts such as fundraisers, regular volunteer days at a homeless shelter and appreciation parties for their customers.

A Commitment to Personal Growth

ComDoc's partnership with Akron Children's Hospital grew from the vision of Executive Administrator, Joyce Swords. Following the death of her daughter, Swords felt the hospital needed a stronger parental support program. She approached CEO Riley Lochridge with her idea, which Lochridge promptly endorsed. His only request was that Swords herself be involved, and he designated 50% of her ComDoc work hours for two years to be directed to creating and implementing the program. She has continued working with children through a ComDoc-sponsored leadership development program for high school seniors. "I've had the opportunity to spread my wings and make a difference in the lives of others and to become someone I wasn't yet through the support and encouragement of my ComDoc family," says Swords.

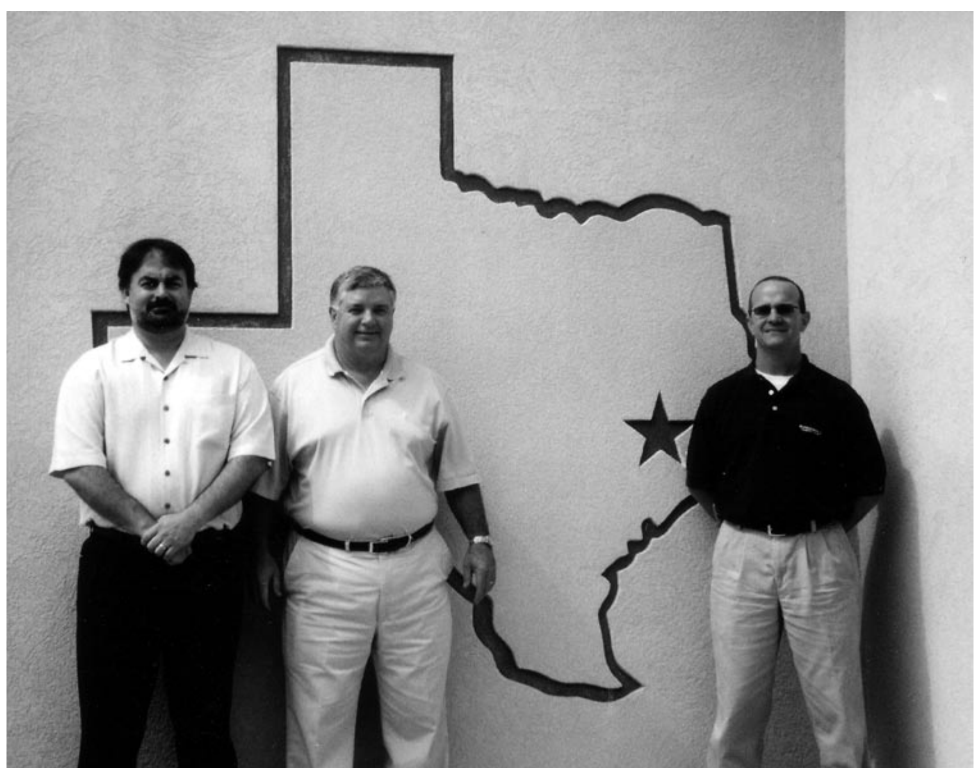
Eileen Cowgar, Customer Service Manager, started with ComDoc 28 years ago as a switchboard operator. During the panel discussion, she explained the value of employee development in building an ownership culture and a successful business. "Riley Lochridge, our CEO, tells us everyone can be a leader. He has faith in us. I was the switchboard operator and was eventually asked to step into a management role. That's not very common." Since then she has facilitated many initiatives, including the recent implementation of a supply department.

Entrepreneurial Spirit

Syl Frazzini, General Manager of Youngstown operations, appreciates the ownership culture at ComDoc. "Our culture provides me with the opportunity to work with people who manage themselves," says Frazzini. ComDoc's environment encourages autonomy and supports the belief that responsible thinking, planning, execution, and challenging review are the basis for any meaningful result.

As ComDoc Help Desk Specialist Mike Boydston explained, "Our mission is to be the #1 choice of our customers, and as employee-owners we have the right to make commitments to our customers and to make sure these commitments are met." A 43-year veteran of ComDoc, Boydston helped launch the company's help desk ten years ago. He and his help desk partner, Mike Lorbach, are affectionately known at ComDoc as "the Mikes" and now handle 17,000 calls per year. He urges employee owners to make decisions, look for ways to save money, and always err on the side of the customer.

Ohio's Employee-Owned Network is sponsoring a special series during 2005 on Great Places to Work: Sharing Our Successes. These sessions will look at how real companies have built a sustainable business. Join the inter-company dialogue on ways to develop people and workplace culture, help the environment, and improve the community. The series started on June 22 in Dayton, and will continue October 19 in Columbus, and November dates TBA in northeast Ohio and Cincinnati. OAW



Newest Network Member South Texas Drywall's ESOP trustees, Brent Allen, Jack Gordon, and Kirk Iler (left to right), show Texas-style pride in their 100% ESOP-owned business. Located in Columbus, the firm works with 60-200 union-affiliated employees in Central Ohio's construction market.

Governance in ESOPs

What's different about governance in an employee-owned company? What are effective structures and processes for the board of directors in an employee-owned firm? In what ways are Directors accountable to ESOP participants? These questions and more prompt intense discussion among Network members because many ESOP firms' boards operate quite differently from boards in conventional companies.

One example is the selection process for directors of The Ruhlin Company, an 82% ESOP-owned construction and construction management firm headquartered in Sharon Center. Ruhlin's 5-member Employee Advisory Team members recruit, interview and recommend the candidates for the four outside director positions and two inside director positions. Ruhlin's 90 ESOP participants then vote on the slate of candidates on a one-share one-vote basis. The two inside employee directors serve as liaisons between the Employee Advisory Team and the board. This process provides ESOP participants with a voice in governance. Currently chaired by the company's IT Manager, Fred Beaver, the overall mission of Ruhlin's EAT is to foster input and ESOP employee participation in the company's financial well-being through employee training, education, and recommendations pertaining to corporate governance.

The first Network-sponsored forum on Governance in ESOPs will be held on Wednesday, September 20 in the Akron area. Topics will include:

- What's different about governance in an ESOP company?
- Legal responsibilities of Directors in an ESOP
- Relationship of the Board with the ESOP Administration Committee and ESOP Trustees
- Breakout sessions on Basics of ESOPs for Directors; Strategic Planning in an ESOP; and A Closer Look at Board Committees

This event will be held the day after the CEO/CFO Networking Dinner on Tuesday, September 19 at Firestone Country Club, hosted by ComDoc, Inc. Watch for details. OAW

Telling Your ESOP Story

Marland Mold Company, a 100% employee-owned firm in Pittsfield, Massachusetts has a DVD which tells the story of their successful employee buy-out effort. Filmmaker Paula Consolini of Williams College encouraged employee-owners at the Network's Communications Roundtable in April to use digital story-telling to tell their employee ownership history and culture through sharing the experiences and impressions of those involved. Marland's story provides a powerful orientation for new employees and the broader community. Two Ohio ESOPs, Prentke Romich Company and ACRT, have created videos of company gatherings to share with employees who live and work far from the Ohio headquarters.

Do you want to tell your story? Consolini suggests you try to borrow digital equipment through your public access TV station and use inexpensive editing software. Kent State's mass communication faculty and students can help you plan and execute a video that tells your employee ownership story. Call the OEOC at 330-672-3028 for details. OAW

Will-Burt and Baer Family Celebrate Orrville's History

The Will-Burt Company, a 100% ESOP-owned firm in Orrville, was selected as a feature exhibit of the Orrville Historical Society's community celebration in May. W-B employees Andrea Russell and Deborah Douglas organized the effort. The firm's 270 employees specialize in precision machining, welding, sheet metal fabrication, and the complete assembly of complex products including telescoping masts for cellular, lighting, military and commercial broadcasting.

Will-Burt's ESOP was established in 1985 to purchase shares sold by Martha Baer, (pictured at the celebration with Jeff Evans, Will-Burt's CEO) following the death of her husband, Bill Baer, whose great-uncle was a founder.

Martha Baer, seen here with Will-Burt CEO Jeff Evans, sold shares of stock to the ESOP established by The Will-Burt Company in 1985, following the death of her husband.

Today the firm, which has well established roots in Orrville since 1918, has achieved growing sales worldwide.

For more information on Network events and membership, contact Karen Thomas at the OEOC, 330-672-3028. OAW

Select Machine Featured in Business Week's *BW Smallbiz* Magazine

Ohio's Select Machine, the first co-op created by a 1042 rollover, was the feature story in the Spring 2006 issue of BW Smallbiz, Business Week's magazine for small business. For more information on Select Machine, see the previous issue of *Owners At Work.* OAW

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Ohio's Employee-Owned Network

Fall 2006 Events

ABCs of ESOPs for New and Senior ESOP Participants
September 14 Toledo/September 28, Kent

Special sessions to meet the educational needs of new, newly vested, and senior ESOP participants who are approaching age 55 diversification and retirement. Featured topics include:

ABCs for New Employees: an overview of ESOPs; history and mission of employee ownership; roles and responsibilities within employee-owned firms

ABCs for Newly Vested ESOP Participants: an overview of vesting, allocation, valuation, and how to grow the value of your business, including how to read the annual participant ESOP account statements.

ABCs for Senior ESOP Participants: an overview of age 55 diversification, distribution eligibility and election, procedures for receiving benefits, principles for investment growth, valuation, and ESOP repurchase obligation.

The ESOP Game: introduces the dynamics of business; the risks and rewards of ownership; the roles of employees, shareholders, managers, and directors; and the factors which affect stock value.

CEO and CFO Networking Dinner
September 19 Firestone Country Club, Akron
Hosted by ComDoc, Inc.

ESOP Board of Directors Forum
September 20, Cuyahoga Falls, Ohio

- What's different about governance in an ESOP company?
- Legal responsibilities of Directors in an ESOP
- Relationships with the ESOP Administration Committee and ESOP Trustees
- Breakouts on the Basics of ESOPs for Directors; Strategic Planning; and Board Committees

Great Places to Work: Sharing Our Successes
October 19, Columbus
November dates TBA, NE Ohio and Cincinnati

Is your company a great place to work with a positive impact on the community? Join a multi-company dialogue during 2006 to explore the impact of company mission, vision, values and goals of sustainability, employee ownership, and ethical performance.

ESOP Fiduciary and Administration Forums
November 15, Cincinnati/Dayton
December 6 and 7, Kent

For more information on Network events and membership, contact Karen Thomas at the OEOC at 330-672-3028 or kthomas@kent.edu

Other Events of Interest

September 26-27, 2006
National Center for Employee Ownership - Challenges and Solutions for Mature ESOP Companies Conference
Philadelphia, PA
Call 510-208-1300 for details

October 11, 2006
The ESOP Association OH/KY Chapter - Fall Conference
Columbus, OH
Call 440-989-1552 for details

November 9-10, 2006
The ESOP Association - ESOP Technical Conference
Las Vegas, NV
Call 202-293-2971 for details

OWNERS AT WORK
Summer 2006
Volume XVIII No. 1

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