

Eighth Annual

Vermont Employee Ownership Conference

Wednesday, June 9, 2010

8:30 am to 5:00 pm

Champlain College, Burlington, Vermont

Featuring 19 workshops covering:

- ~ Introductions to employee ownership and fundamental issues
- ~ Participation and leadership in employee-owned companies
- ~ Technical and operational details for employee owners



Don't miss
our biggest, most
information-packed
conference yet!

Presented by the Vermont Employee Ownership Center

CONFERENCE

AGENDA

7:30 - 8:30

Registration and Continental Breakfast

8:30 - 8:45

Welcome & Remarks

8:45 - 9:30

Panel discussion: "Breakthrough Moments: Critical Events that Made Employee Ownership Work."

Clay Adams, Resource Systems Group;
Jim Feinson, Gardener's Supply Company;
Mike Sessions, Pizzagalli Construction Co.;
Steve Voigt, King Arthur Flour Co.

Top leaders of some of Vermont's best-known employee-owned companies will describe events that helped make employee ownership more meaningful and effective.

9:45 - 11:00

CONCURRENT WORKSHOPS: SESSION A

1. Introduction to Employee Ownership N

Steve Magowan, Steiker, Fischer, Edwards & Greenapple; Newell Lessell, The ICA Group

This is the place to start if you want to learn the basics about employee ownership: the reasons for considering it, the basic structures, and the ways to implement it. You'll learn about the two most common forms of employee ownership – Employee Stock Ownership Plans (ESOPs) and worker cooperatives – and discover which structure might work best for your company.

2. Hot Topics for ESOPs N EE EL

Barbara Clough, Blue Ridge ESOP Associates;
Chuck Coyne, Empire Valuation Consultants;
Bob Massengill, SES Advisors; Joe Marx,
Principal Financial Group

Come hear a panel of experts discuss what they consider to be the most important technical issues currently facing leaders in ESOP companies. Among the contenders: What's the new thinking on how the repurchase obligation should affect annual valuations? How should you respond to purchase offers? What's the latest from the IRS on plan document issues such as reshuffling and diversification?

3. Governance in Worker Co-ops: A Comparison of Approaches N C

Erbin Crowell, Cooperative Fund of New England; Aaron Dawson, Equal Exchange;

Adam Trott, Collective Copies

The worker cooperative structure provides for "one-person, one-vote" governance on shareholder-level decisions, such as electing the board of directors. Beyond that, a variety of governance and operational structures are possible, from "flat" structures, in which most decision-making is shared, to more hierarchical structures, where authority over many day-to-day decisions is delegated to department leaders or committees. We will hear about a range of options, and learn about practices in two worker co-ops.

4. Best Leadership Practices: Learning from the Experienced N EE EL

Panel of leaders from the morning plenary;
Ginny Vanderslice, Praxis Consulting Group
(moderator)

A panel of top leaders from employee-owned companies will share their reflections on the leadership practices that they each have found to be the most effective in engaging and motivating their employee owners in a way that has led to their company's success. In addition, they will discuss what they learned along the way and how they changed as a result.

5. How an ESOP Works: An Employee's Eye View EE EL C

Alex Moss, Praxis Consulting Group

This session uses a highly interactive role play format, with cash, stock, and other props, to illustrate how an ESOP works in simple and entertaining terms. We will cover why ESOPs are set up, how the ESOP buys stock and pays for it, the basic account rules (eligibility, contributions & allocations, vesting, and distributions), how the stock value is determined, and how employees' day to day actions drive growth, profits, and stock value, with significant time for attendees questions throughout.

11:15 am - 12:30 pm

CONCURRENT WORKSHOPS: SESSION B

6. Forming and Operating a Worker Cooperative N

Erbin Crowell; Newell Lessell

This session will provide a step-by-step roadmap for converting an established company into a worker cooperative or creating one from scratch. We'll focus on the nuts and bolts of setting up a worker cooperative and making it run smoothly over time. Governance roles, sharing of profits and day-to-day operations will be discussed.

7. Transitioning to an ESOP N

Steve Magowan; Giles Willey, Vermont Systems
Learn the steps involved in creating an

Employee Stock Ownership Plan, with examples drawn from one company's experience. Attendees will leave with a roadmap for creating, funding and managing an ESOP at their company, and a list of ways to involve employees from early-on in the process.

8. Management Succession and Leadership Development in an ESOP N EL

Ginny Vanderslice; Suzanne McDowell, King Arthur Flour Company; Kelly Mousley, King Arthur Flour Company

A company's stability over time depends to a great degree on the depth of leadership that exists within the company. Although sometimes seeking managers from outside the company makes sense, it is important to develop a cadre of potential leaders and managers within the company who will be committed to the company's core values and who will know both the business and the culture. This session will present some best practices in designing leadership development programs, examples of one such program in an ESOP company, and alternative leadership development models that other ESOP companies have implemented.

9. Creating Effective ESOP Committees N EE EL

Alex Moss; John Dionne, Windmill International; Carolyn Maloney, Hypertherm

The work of helping employees understand their ESOP and "think like owners" should begin early, and should be re-energized often. This session will describe how to start and sustain effective ESOP committees that provide informative and inspiring communications to employees. Whether your company already has a committee in place or is just getting started, this session will help you get the most out of your committee.

10. Leveraging Ownership Culture N EE EL C

Chris Mackin, Ownership Associates; Kathy Brytowski, Carris Reels; Aaron Dawson, Equal Exchange

Employee ownership alone does not necessarily lead to improvements in company performance. The most successful companies are those that combine employee ownership with participation. Learn in this session about the ingredients that make a high-performance ownership culture in which employees are engaged and committed.

12:30 - 1:45 pm
Networking Lunch

1:45 - 3:00 pm

CONCURRENT WORKSHOPS: SESSION C

11. Basics of Business Valuation

Chuck Coyne

N EE EL

A third-party appraisal of a company's worth is advisable for most ownership transitions. For ESOPs, one is required annually. This workshop will provide an introduction to the criteria used to determine the value of any business. It will also cover special considerations for ESOP valuations.

12. Building the Movement: New Initiatives to Grow Employee Ownership

N EE EL C

Don Jamison, VEOC, moderator; Chris Mackin; Adam Trott, Valley Alliance of Worker Cooperatives and Cooperative Capital Fund

Employee ownership can help create a more stable, productive and equitable economy by preserving local ownership and sharing the wealth companies create with all those who help produce it. This panel will share news of new federal legislation and innovative efforts by a variety of organizations, all aimed at creating more – and stronger – employee-owned companies.

13. Lessons Learned from Recent ESOP Transactions

N EL

Joe Marx, moderator; Clay Adams; Rick Gile, Kalow Technologies; Cindy Turcot, Gardener's Supply Co.

Hear from those involved in recent ESOP transactions about what went well and not so well. How did the process differ from what they'd expected? Did they have adequate counsel and advice? What would they have done differently?

14. What ESOPs and Co-ops Can Learn from Each Other

Steve Magowan; Alex Moss

N EE EL C

While ESOPs and worker co-ops may sometimes seem to be distant cousins, they both represent forms of a new capitalism and have much to teach each other. In this session, we will take a look at the underlying principles of both ESOPs and co-ops and consider possibilities for cross-fertilization of ideas for organizational development, corporate governance, financing buy-outs of retirees and other core employee ownership issues.

15. Fifty Ways to Improve ESOP Communications

N EE EL

Merryn Rutledge, moderator; John Dionne, Windmill International; Erich Finley, Birdseye Building; Dave Fitz-Gerald, Carris Reels; Jason Mazur, Gardener's Supply Co.

In this fast-paced session, representatives of ESOP companies known for the quality of

their communications will share their best ideas for educating and engaging employees. Attendees will come away with several ideas to try out in their workplaces.

3:15 - 4:30 pm

CONCURRENT WORKSHOPS: SESSION D

16. Financing Employee Ownership

Bob Massengill

N EL

What are banks looking for these days, and what terms are they typically offering? How can seller financed transactions be structured to give both flexibility to the company and a fair return to the seller? Are there alternative funding sources that can play a role in a deal? This session will give an overview of the range of possibilities for financing transactions involving ESOPs and other forms of employee ownership.

17. Consensus Decision-Making

Merryn Rutledge; Adam Trott

N EE EL C

When done right, consensus can be an excellent decision-making tool for employee-owned companies. Commonly viewed as appropriate only for very small companies, consensus can work in larger companies when decisions are delegated to committees. This session will present the basics of working by consensus, and you'll hear from a business that has been successfully using consensus for many years.

18. Marketing Employee Ownership

Susan Reid, King Arthur Flour

N EE EL C

Company, moderator; Kate Guerrina, Chroma Technology; Chris Quinn, Red House Building

Once you're an employee-owned company, how do you draw on that fact to attract new customers and new employees? In this session, a panel of experienced employee owners will explore how to use employee ownership as a marketing tool, both internally and externally. Attendees will leave with an arsenal of ideas that can help them capitalize on employee ownership.

19. Sustaining your Culture Over Time as a Competitive Strategy

Ginny Vanderslice; Carolyn Maloney

EE EL

Why all the talk about core values and culture? How do values and culture connect to a company's ability to achieve its business goals? How do you decide which values are your company's core values and how do you get employee owners to commit to them?

4:30 - 5:00

Ben & Jerry's Ice Cream Reception

About the Event

The Eighth Annual Vermont Employee Ownership Conference will take place at Champlain College in Burlington.

We've made some exciting changes this year, which will make the event even more valuable to both first-time and returning attendees. Here are some highlights:

• Five more workshops

We've added a fourth session for a total of 19 workshops to choose from.

• New morning plenary session

Instead of a traditional keynote speaker, this year we've created a terrific morning plenary session that will engage and inspire you. A panel of top leaders from several of Vermont's employee-owned companies will discuss the topic: "Breakthrough Moments: Critical Events that Made Employee Ownership Work." You'll get insight into how these successful companies were able to harness the power of employee ownership.

• The most sought-after experts in the industry

We've assembled a number of expert professional advisors and consultants from around the country to share their knowledge with you for one low price.

• Information sharing and networking

Each year the conference draws dozens of representatives from Vermont's employee-owned companies. You'll learn how they made the transition to employee ownership and navigated the challenges along the way. There's no better place to network!

Pre-Conference Dinner

Tuesday, June 8th, 6 pm

Please join us the evening of Tuesday, June 8th at Magnolia Bistro in downtown Burlington. We'll begin the evening at 6 pm with hors d'oeuvres and a cash bar, followed by dinner and dessert. Tickets cost \$30.

Interest Area Legend

- N Newcomers interested in learning more about employee ownership
- EE ESOP employee-owners
- EL ESOP company leaders
- C Co-op employee-owners

2010 Vermont Employee Ownership Conference

**June 9, 2010
Burlington, Vermont**

Don't miss this annual full-day event packed with workshops and networking opportunities. Also join us for a special dinner on June 8th. Details at www.veoc.org.

Who should attend:

- » Business owners interested in learning more about employee ownership as an exit strategy
- » Members of existing employee-owned companies
- » Economic development professionals
- » Bankers, accountants, attorneys, and financial planners
- » Anyone interested in employee participation or sustainable business models

Register Now!
Early registration discount ends May 28th.
Space is limited!
Visit www.veoc.org or call 802-861-6611.

Presented by:
the Vermont Employee Ownership Center
and these Platinum sponsors:



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Register at www.veoc.org or call 802-861-6611 for more information.

2010 Vermont Employee Ownership Conference Registration Form

To pay using a credit card, you must register online at www.veoc.org.

Register online at www.veoc.org

Attendee Information:

(Please complete a separate form for each individual.)

NAME _____

BUSINESS OR ORGANIZATION _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE _____ EMAIL _____

Workshop Preferences:

(Please circle one in each session.)

- SESSION A: 1 2 3 4 5
- SESSION B: 6 7 8 9 10
- SESSION C: 11 12 13 14 15
- SESSION D: 16 17 18 19

Pre-Conference Dinner and Reception

Yes, I plan to attend. (Add \$30 to registration total.)

Registration Fees:

	Early Registration (by 5/28/10)	Late Registration (after 5/28/10)
First attendee	\$120	\$150
Additional attendees from the same company	\$85 each	\$115 each

Total Amount Enclosed: _____

Please make check out to VEOC and mail to P.O. Box 546, Burlington, VT 05402.

Questions? Call VEOC at 802-861-6611.

This project is funded by a grant from the U.S. Small Business Administration (SBA). SBA's funding should not be construed as an endorsement of any products, opinions, or services. All SBA-funded projects are extended to the public on a nondiscriminatory basis.