

NCEO

NATIONAL CENTER FOR
EMPLOYEE OWNERSHIP

The Member Memo is a monthly member-exclusive collection of the best of the employee ownership community and NCEO resources.

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Founded in 1884, [Folience](#) is a 100% ESOP-owned company based in the Midwest. Daniel Goldstein, President and CEO, was part of the team that transitioned Folience from what had been a family owned and controlled media company to a diversified holding company with manufacturing, media, technology and creative agency businesses. He will be speaking as part of our keynote panel at the [Fall ESOP Forum](#) September 17-18 (with a preconference on September 16). Here are a few of Daniel's insights on leading at an employee-owned company.



The Fall ESOP Forum
Best Practices in Employee Ownership

SALT LAKE CITY, UT / SEPTEMBER 17-18, 2019 / PRECONFERENCE SEPTEMBER 16

How does being employee-owned manifest at your company?

Our employee-owners have a license to act - and that is literal. Every employee-owner is given a driver license sized "License to Act" card which represents the rights and responsibilities of employee ownership. This is one of the ways we engage employee-owners to improve the ESOP. They have the right to speak up and make suggestions, and there is an expectation that if you see something, you don't just say something - you suggest something and *do* something.

I saw this in action when I was bringing the future leaders of our trailer company on an incognito trip to our ambulance manufacturing plant. They were doing their due diligence to see if we were the right buyer for their business and it was a secret who these guests were on the plant floor. As we were walking through the ambulance factory, an employee-owner walked up to me and pulled out his License to Act card and asked for a moment of my time to suggest an idea. I took the time to listen to his idea, told him I'd take it into consideration, and stated what his next steps should be to suggest the idea to his direct manager.

Months later, when we had successfully acquired the trailer company, the selling owners told me that it had been an important moment that helped them decide to sell to Folience. They said, "We were impressed that a person from the line came to you with an idea, and further, that you took the time to listen even though you're the CEO and you were busy that day. That's the kind of culture we want for our business."

What's the biggest challenge you've faced in leading an employee-owned company?

It's not enough to reach just those who enthusiastically embrace employee ownership. You have to reach the people who choose not to fully engage with the ESOP and the culture of ownership. This is a challenge because you can never get everyone and you can't use all your energy on holdouts, but you can't leave them behind either. We reach out by communicating, communicating, communicating. Whether it's from our business leaders, leadership development groups, or the ESOP Communications team, we send newsletters, hold company updates, and find other ways to regularly communicate to all employees. We work to help everyone understand their contribution to the ESOP and how they benefit from it.

What advice would you give to those just starting to learn about employee ownership?

Read [*The Citizen's Share*](#) by Joseph Blasi, Richard Freeman, and Douglas Kruse. It will give you a strong philosophical underpinning for why employee ownership is a good idea.