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NORTH CAROLINA EMPLOYEE OWNERSHIP CENTER

# Strategies to Promote Employee Ownership



# Employee Ownership as a Business Retention Strategy

Agencies that engage with small businesses typically place employee ownership in the category of business planning and management advising services. By positioning employee ownership as a business retention strategy, it becomes a more important, proactive strategy. Economic development organizations, chambers of commerce, and small business resource agencies are keenly focused on retaining businesses. Giving them tools to communicate the value and connect business owners to resources will expand the ambassador network of employee ownership.

## Goal: Promote Employee Ownership to Organizations that Engage with Small Businesses

Strategy: Connect with Organizations that Engage with Small Businesses



### Action Steps:

- Organizations are more likely promote NCEO content if they have a relationship with Center staff. Meet with the directors of the chambers, small business centers, economic development organizations, downtown development associations, and other small business resource agencies in the region to build relationships.
  - In economic development organizations, target the Existing Business staff person as the first contact. That position has responsibility for BRE and looks for resources to promote to their business base.
  - In small organizations like downtown associations, target the director.
- Connect with EDOs, chambers, small business centers, SBTDC, downtown development associations, and other organizations on social media – LinkedIn, Twitter, and Facebook. Request that these groups follow and like NCEO. Connect with the directors, BRE professionals, and leaders of these organizations, too.
- Subscribe to their e-communications and ask the organizations to do the same of the NCEO blog.
- Attend their events such as networking, socials, lunch and learns, and annual meetings. Personally invite them to attend an NCEO event to learn more.
- Regional economic development organizations sometimes have a committee of business retention and expansion professionals that would be a good connection.

Strategy: Develop Template Communications to make Promotion Easy

### Action Steps:

- Website content – Design web content allies can “drop” into their website site. Include a short overview of employee ownership, video testimonial, link to a downloadable brochure, and links for more resources.



- Eblast template – Develop an eblast organizations can send to their database. The template could include link to a blog about employee ownership, link to a case study, video testimonial from business owner, and links for more resources.
- Social media campaign posts – Develop a series of 4-5 social media posts and ask organizations to run a series on employee ownership. This could be in May around National Small Business Week.
- Investigate an app like [Social Toaster](#) that makes it easy for ambassadors to amplify your social media messages.
  - Recruit ambassadors to share your message: employee owners, allies like the Winston-Salem Foundation, and business organizations.

## Strategy: Get on the Speaker's Circuit

### Action Steps:

- Request to be on the conference/meeting agendas of organizations who engage with small businesses. Some organizations have a 'call for session proposals'. Examples:
  - NC Community Colleges Small Business Center Network directors' meeting
  - Small Business and Technology Development Center annual meeting
  - NC Economic Development Association
  - Chamber of Commerce lunch and learns and annual meetings
  - NC Business Council
  - NC Downtown Development Association
  - NC Small Business Association
  - NC Business Incubation Association
  - Cowork centers, Examples: Flywheel, Innovation Quarter, transformGSO
  - Downtown development organizations
- Promote that NCEO provides a turnkey workshop on employee ownership. All the ally organization would need to do is find space and invite people. Develop a one-page flyer/brochure on this service.
- Develop a group of business owners who are willing to share their stories – a speakers' bureau. Offer them up as panelists and speakers to business associations, chambers, and EDOs.
- Add a "Request a Speaker" button to the NCEO website.



## Strategy: Develop an Employee Ownership Tool Kit

### Action Step:

- Take some elements of this talent attraction tool kit model, [Charlotte's Backyard](#), to create a set of collaterals that can be downloaded from NCEO website by chambers of commerce and economic development agencies. NCEO can create a new webpage to house the tool kit.
  - Top 3 reasons why employee ownership should be part of your succession plan (flyer)
  - Videos of owners discussing why they transitioned to employee ownership



- A downloadable collateral that chambers and EDOs can share with business owners (brochure)
- Case studies – see below
- Resource links

### Strategy: Create Online/Video Training Module

#### Action Step:

- Some groups provide online seminars and workshops to small business owners. NCEO could develop an “intro to employee ownership” training module that could be integrated into one of their workshops.
- Promote the online module to allies who want to learn the basics as well as the professional service organizations described below.
  - SBTDC has online training programs and may be willing to partner on a training module.



### Strategies: Continue to Develop Stories and Case Studies

#### Action Steps:

- Continue to promote employee ownership stories in video and e-communications and on social media.
- Curate case studies in a library on the NCEO website. Format in a branded template with the same outline for brand consistency. The content can be a blog as well as a case study in a library.



### Strategy: Promote NCEO to Professional Services that Serve Small Businesses

#### Action Step:

- Target accountants, lawyers, bankers, and other professional services who advise small business owners on management and finance.
- Offer to be a speaker/put on a workshop at their association events (e.g., NC Bankers Association).
- Use similar promotion strategies described above for other ally groups.



### Strategy: Ensure Employee Ownership is Included in Entrepreneurship Training

#### Action Steps:

- Connect with high schools, community colleges, and universities that offer entrepreneurship courses/degrees/training to ensure employee ownership is covered in the course/program. Examples: YESurry youth entrepreneurship, Center for Entrepreneurship at Wake Forest University, and Forsyth Tech entrepreneurship.
- Provide basic information that can be included in a curriculum, such as the training module described above.
- Offer to be a guest speaker on the topic.



# Pilot Project for Forsyth County

A pilot project in Forsyth County offers the opportunity to test and refine engagement strategies. Based on feedback from business and economic development agencies, NCEO can sharpen its messages and delivery methods. Also, investing in relationship building in Forsyth County will open doors across the state.



## Strategy: Connect with Organizations that Engage with Small Businesses

Forsyth County network (examples):

- Greater Winston-Salem, Inc.
- Winston-Salem Black Chamber of Commerce
- Forsyth Tech Small business Center
- Small Business & Technology Development Center, Winston-Salem State University
- Flywheel Coworking
- The Downtown Winston-Salem Partnership
- City of Winston-Salem Small Business Liaison
- Make a connection with each agency and ask for referrals to similar organizations.
- Connect on social media. Request these groups follow and like NCEO.
- Connect with the directors, BRE professionals, and leaders on social media.
- Subscribe to e-communications and ask the organizations to do the same of the NCEO blog.
- Attend events such as networking, socials, lunch and learns, and annual meetings.
- Invite them to attend an NCEO event.

## Strategy: Develop Template Communications to make Promotion Easy

- Find an organization willing to be a pilot to add website content created by NCEO.
- Identify a partner to launch a marketing campaign during Small Business Week 2023.
- Use the Forsyth County network as a pilot ambassador program and test out [Social Toaster](#).

## Strategy: Get on the Speaker's Circuit

- Develop a one-page flyer on NCEO's turnkey workshop capability and distribute to the network.
- Offer to give programs at networking events, lunch and learns, etc.
- Develop and promote a speakers' bureau of employee-owned companies in the Triad region.

## Strategy: Develop an Employee Ownership Tool Kit

## Strategy: Create Online/Video Training Module

## Strategies: Continue to Develop Stories and Case Studies

- The Forsyth County network could be used as a focus group providing feedback on a toolkit, case studies, and online training module.

**Strategy: Promote NCEOC to Professional Services that serve Small Businesses**

- By joining the chamber of commerce, you will have access to their membership directory. Use it to develop a database of professional services firms for e-marketing.

**Strategy: Ensure Employee Ownership is Included in Entrepreneurship Training**

- Connect with Winston-Salem/Forsyth County School, Forsyth Technical Community College, Wake Forest University, Winston-Salem State University, and Salem College to network with faculty who are engaged in entrepreneurship education and training.
- Offer to be a speaker.

# Key Messages

The following are example messages that may resonate with economic development organizations, chambers of commerce, small business centers, and other groups who engage with small businesses.

## Small Business Messages

Use data that emphasize the importance of small businesses, large numbers of small businesses, risk of closure, and lack of succession planning as a key risk.

- 99.6% of North Carolina businesses are small businesses
- 45% of all employees in North Carolina work for small businesses
- 50% of small business owners do not have a plan for what will happen to their businesses when they are ready to retire
- 40% of small businesses owners are owned by baby boomers who are retiring at a rate of 10,000 per day

65% of business owners have no succession plan. Promote employee ownership to keep businesses open.

## Messages for Small and Rural Places

Focus on how employee ownership is one more resource tool for small businesses.

- Losing even one small business in small and rural places is hard to replace
- Rural business owners tend to be older, making succession planning even more critical
- Rural business owners have a harder time selling their business, making employee ownership a more viable option
- Employee ownership is a strategy to build wealth in rural places

Don't lose another small business to retirement – promote employee ownership to keep it open.

## Messages for Employee Ownership as a Retention Tool

Position employee ownership as a BRE strategy and key to business retention as owners retire.

- Approximately 75% of all new investment and job creation come from businesses already located in a community. Business retention is an important economic development strategy.
- Employee ownership is an important business retention tool
- Employee ownership can keep a small business open and locally owned

Retain businesses by keeping ownership local – promote employee ownership as an option.

# The Creative Give Back

The NC Employee Ownership Center was selected as the 2022 Creative Give Back winner. The Creative Give Back is Creative Economic Development Consulting's way to give back to the field of economic development. Starting in 2014, Creative EDC began giving away one consulting project a year through a competitive application process. Previous winners have included the Nikwasi Initiative, Lancaster, SC, Waynesboro, VA, Cabarrus County EDC, NC, Wayne County Development Alliance, NC, City of Graham, NC, and the Blacksburg Partnership, VA.

To be considered for The Creative Give Back, the project must:

- BE CREATIVE
- Challenge us to think outside the box
- Have the ability to significantly impact the local economy
- Have a true, demonstrated consulting need
- Be consistent with sustainable economic development practices
- Give us the opportunity to work with a great community and great people

Creative EDC's scope for the NC Employee Ownership project is to develop strategies and key messages to engage business advisors and economic development stakeholders to communicate with business owners the value of employee ownership.

- Interview economic developers, chamber of commerce directors, and small business advisors in the Triad region to gather information on their business retention strategies, specific strategies to retain minority and women owned businesses, succession planning support, knowledge of employee ownership models, communications tools, and level of interest in promoting employee ownership.
- Survey business owners in the Triad on succession plans, knowledge of employee ownership models, trusted allies for information, etc.
- Develop a set of draft strategies and messages to engage business advisors and economic development stakeholders to communicate with business owners the value of employee ownership.
- Vet the strategies and messages in a few focus groups of business advisors and economic development stakeholders.
- Based on the input, develop a three-year strategic plan for NCEOC with goals, strategies, and action steps. Outline a pilot project for Forsyth County in 2023 with expansion to the Triad region as more resources become available.
- Deliver a written, electronic document that includes summaries of engagement, survey, recommendations, and example content.
- Deliver a brochure summary to communicate the project to NCEOC stakeholders.
- Conduct a presentation of the project and recommendations to the NCEOC board.

The report resulting from this project will be shared with other communities, hopefully sparking the idea that employee ownership should be part of a business retention strategy.

# Appendix: Summary of Focus Groups

Creative EDC and NCEO staff engaged with economic development practitioners, chamber of commerce directors, small business center directors, and other allies to learn how NCEO can promote employee ownership to them and through them to small businesses.

Overall, we learned that there is little knowledge about employee ownership models. The groups were open to learning and sharing information with their network. The representatives said they do not counsel small business owners on succession planning; rather, they act as a resource directing owners to experts. NCEO can be this expert.

Business owners typically do not think about succession planning until it is time to transition the business. Having information to spark the idea of succession planning, and employee ownership as an option, would be helpful. Information that representatives said would be helpful include:

- Employee Ownership 101 – basic information on models and benefits
- Success stories
- Website to refer people
- Content representatives can place on their website and use in communications
- Workshops/training programs led by NCEO
- Speakers for their events

The interest in specific training for practitioners was mixed. Chamber and economic development directors were not as warm to the idea of participating in training since they do not engage with small business owners in an advisory capacity. Small business center directors, however, showed more interested since they do more one-on-one advising and engagement.

During the input sessions, we discussed targeted outreach to specific groups of entrepreneurs and small business owners such as veterans, minority, women, and others. For the agencies that have specific programs tailored for these groups, they were receptive to including information about employee ownership in training programs.

Overall, the participants in focus group sessions were open to learning more, sharing information, making referrals, and building a relationship with NCEO.

# NC Employee Ownership Center



NORTH CAROLINA EMPLOYEE OWNERSHIP CENTER

and medium sized businesses throughout the state of North Carolina by helping to transition many to employee ownership. The organization raises awareness of employee ownership models and maintains a volunteer network of advisors.

The North Carolina Employee Ownership Center serves as the central hub for information and resources around employee ownership in North Carolina. The Center's mission is to preserve and protect the job and community impacts of small

## Creative Give Back Sponsor



This project is the winner of the 2022 Creative Give Back. The Creative Give Back is Creative EDC's way to give back to the field of economic development. Our team has enjoyed long careers as practicing economic developers and consultants. This profession has given us meaningful work and lifelong friends. We have enjoyed playing even the smallest part in improving thousands of lives through sustainable economic development. It is important for us to give back to the profession that has given us so much. Starting in 2014, we committed to giving away one consulting project a year through a competitive application process.

Creative Economic Development Consulting, LLC, provides strategic planning, product development, organizational development, social media, and economic impact analysis services to communities. Creative EDC is an innovative firm that owns three proprietary programs: Certified Entrepreneurial Community®, CreativeSiteAssessment.com, and Creative Back Office Suite of Services. [www.creativeedc.com](http://www.creativeedc.com)