

Carris Reels wins 'Company of Year' award

June 2, 2008 By [Bruce Edwards](#) *Rutland Herald Staff*

Carris Reels will occupy a special place at this week's sixth annual Vermont Employee Ownership Conference in Burlington.

The Rutland-based company was recently presented with the national 2008 ESOP Company of the Year award by the ESOP Association — the national trade association for companies with employee stock ownership plans.

"Carris Reels is an example of the value and potential that employee ownership can bring to (a) company," J. Michael Keeling, president of The ESOP Association, said in a statement. "The employee owners of Carris Reels strive to make their company stronger each day and it shows in the work they do and in the value they place on the individuals who make up their company."

Founded in 1951 by Henry Carris, the company manufactures a line of reels for the wire, cable and rope industries. The 100-percent employee-owned company has 550 workers at eight locations around the country.

According to Don Jamison of the Vermont Employee Ownership Center, the state has the highest number of employee-owned companies per capita in the country. Jamison said there are approximately 10,000 ESOPs in the country with 30 such companies in Vermont and another 10 companies that are workers co-operatives.

Jamison said one important benefit of an employee-owned company is that it ensures the company stays local. "If an owner is exiting (selling) and is concerned about his or her employees, it can ensure that the company will continue as it has been, provided there is a new group of managers to take over responsibilities."

He said employee-owned companies also give a direct stake to employees who reap the profits when the company performs well. "With a combination of participation and ownership, you see a pretty significant boost in productivity gains," Jamison said.

He also said there are tax advantages for an owner who sells their company to employees with the potential of getting a rollover in the capital gains tax.

As an example of the productivity gains that are realized with an ESOP, Jamison said two recent winners of the Deane C. Davis Outstanding Vermont Business Award, Resource Systems Group and King Arthur Flour Co., are both majority-owned by their employees.

Jamison said while setting up an ESOP is a complex process, it can be well worth the effort in the long run for the company, its employees and the owner.

One of the conference's workshops this week is based on a Carris Reels initiative called "Inclusive Decision-Making."

"They're really trying very hard to make their company 100 percent employee governed," Jamison said.

According to the national ESOP Association, a unique component of Carris Reels is its steering committee which goes beyond most ESOP committees and assumes decision-making for a number of functions includes: allocation of benefits, quality of work-life issues, communications, training and governance. The committee meets twice a year to review financial information and receives operational updates from the various departments.

The Carris committee is made up of management and employees who serve three-year terms. In addition, the ESOP Association points out that the committee keeps alive the vision of Bill Carris, the son of founder Henry Carris, who moved the company toward employee ownership in 1995. Bill Carris' long-term plan is that 'organizations consist of three dimensions: spiritual, emotional, and physical.'"

The keynote speaker at the Vermont conference at Champlain College is Veda Clark, CEO of Lite Control, an ESOP-owned company in Massachusetts that is known for its employee participation programs.

- The conference agenda also includes the following workshops:
- Social responsibility and the employee-ownership movement.
- How to successfully lead an employee-owned company.
- Balancing short- and long-term rewards in companies with an ESOP.
- How to leverage employee ownership as a marketing tool.
- Structuring an employee-owned company for inclusive decision-making.
- The differences between ESOPs and worker co-operatives and which is best suited for their company;
- The basics of financing an ESOP; and the keys to business valuation.
- How to manage an established ESOP;
- Coping with growth in worker cooperatives;
- Long-term ESOP sustainability; and renewing the spirit of employee ownership.

For more information, visit www.veoc.org; e-mail info@veoc.org; or call 861-6611.

Contact Bruce Edwards at bruce.edwards@rutlandherald.com.