

## Employee Owned, Employee Driven



Source: [www.TurfMagazine.com](http://www.TurfMagazine.com)

When Berry and Ruthie Edwards founded The Greenery, a landscaping business on Hilton Head Island, SC, they knew they wanted to approach things a little differently. It was 1973 and they had a couple of old pickup trucks and a desire to hire the most experienced and knowledgeable staff they could find. They knew the professionalism the employees brought to the table would make a huge difference in the company's offerings and image.

Nearly three decades later, when Berry Edwards, my father, began his retirement planning, he knew he wanted to approach that differently too. He wanted a business plan in place that would maintain The Greenery's status of professionalism and customer satisfaction, while rewarding the long-term employees that helped build a successful company. He could have sold the company, trusting the new ownership to maintain the company's culture, which had endured even as the firm grew from six employees to around 200.



Lee Edwards, CEO, The Greenery, Inc. of Hilton Head Island, SC presents a stock certificate to an employee-owner during the

recent annual distribution. (Photo: The Greenery, Inc.)

Instead, he took a different path, setting up The Greenery as a wholly employee-owned enterprise, utilizing a structure called an Employee Stock Ownership Plan (ESOP). Essentially, the formation of the ESOP allowed the creation of a trust which distributes shares in the company to employees based on factors such as wages and length of employment. Currently, there are approximately 6,700 ESOP businesses nationwide, such as supermarket giant Publix, New Belgium Brewing, and Clif Bar. While that number only accounts for somewhere around .5% of all businesses nationwide, the ESOP model has seen growing support in recent years from both Republican and Democratic lawmakers.

Our own journey began in 2001, with the company becoming 100% employee-owned by 2007 when my father retired. His plan for the ESOP, and the vision behind it, has made all the difference in the intervening years. The Greenery has grown by leaps and bounds on the strength of its employee-owner's commitment.

At The Greenery, this vested ownership begins for employees after a one-year waiting period. It then continues until they retire or leave the company. Along the way, they enjoy multiple opportunities to increase their shares in the company, either by enrolling in the 401(k) program or reaching certain milestones in length of service. Obviously, the longer they work for The Greenery, the more shares they receive.

Most importantly, however, is the fact that the better the business does, the higher the value of the stock accounts. One of The Greenery's most exciting annual events is the reveal of the new stock price and distribution of stock certificates. Most of that excitement comes from the employees themselves. It's hard for some to restrain themselves when they realize how much their account is worth. (To be honest, seeing the reaction of employee-owners is among my favorite aspects of this event.) These employees might not have owned stock in any company, much less their own, if not for the ESOP. And the balance they see on that stock certificate could mean they have the ability to retire comfortably, to put a child through college, or to travel. It can be life changing.

From a business aspect, an ownership mentality means each employee takes more pride in his/her work. They take better care of equipment, because it's their equipment. They conduct themselves with the utmost professionalism in the field, because they aren't just dealing with a customer, they're dealing with their customer. They treat every aspect of their job with the same fervent dedication as a young entrepreneur, because it truly is their company. Clearly, the relationship is symbiotic. The harder employee-owners work, the better they treat their customers, and the better the company does. The better the company does, the higher their stock price climbs.

There are some challenges, though, that come with being employee owned. The Greenery must meet rigid compliance standards from the U.S. Department of Labor to ensure the best interest of the employee/owners is being met. We not only meet those standards; we exceed them, and give our employee-shareholders

full transparency. But it's not just transparency. There's also the requirement to ensure new hires fully understand exactly what an ESOP is and what it can do for them. We accomplish this through regular newsletters, meetings, and updates from an ESOP committee.

With an ESOP, you see the value of local ownership extended to all levels of an organization. It's a challenge that has proven well worth it for The Greenery. Since establishing the ESOP, we've more than tripled our number of employees, from approximately 200 to around 650 today. Our territory now spans from our original home on Hilton Head Island, SC north to Charleston and south to Savannah. It's been a period of amazing growth largely driven by the employees, each of whom puts in that little extra effort to help the company— their company—grow.



*Edwards is President and CEO for [The Greenery, Inc.](#), a progressive employee-owned comprehensive commercial and residential landscape installation and maintenance company headquartered in Hilton Head, SC.*