



# OUR EXPERIENCE OF EMPLOYEE OWNERSHIP

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Empowering our people matters.  
[stephens-scown.co.uk](https://stephens-scown.co.uk)



# ABOUT US

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**Being the UK's first large employee-owned law firm, we understand first hand what it takes to make a successful Employee Ownership (EO) transition. But more than that, we've made being employee owned part of our DNA.**

We're champions for the benefits that being employee owned can bring to a business, its people and the economy, and we're committed to supporting the EO community.

We have learnt a few lessons along the way, and here, we share with you some of our client's success stories as well as experiences from our own journey.



# STAY FLEXIBLE TO SUCCEED

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We were approached by an employee owned business because the scheduled payments to the founder were coming to an end. The original shareholder agreement needed refreshing particularly as the company was moving towards financial freedom.

We worked closely with the trust and the company's auditor to ensure that the agreement reflected the accounting treatment of the dividends and the potential employee bonus.

We made the agreement:

- Flexible for current financial commitments as well as the future financial freedom.
- Simple and accessible for readers and trustees, addressing complex situations.
- Confirmed the parties' original understanding of the bonus policy.

“ The transition to an employee ownership model is often seen as the culmination of many months of work. However, it is the first step of an evolution. As the newly adopted employee ownership structure evolves, it is important that the legal framework moves with it. The documentation should be reviewed at key stages to make sure it remains fit for purpose. ”



**GAVIN POOLE**  
Corporate Partner and  
EO Specialist

# THE IMPORTANCE OF ENGAGING THE STAFF

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A client came to see us a year after becoming employee owned as their employees felt that nothing had changed.

We recommended that the business involve the trustees more which in turn led to greater staff engagement.

Using our own experience having become an EO law firm in 2016, we advised and supported them on the following:

- The trustees shaped the profit share policy, considering the fine details such as whether there should be an eligibility period and whether the profit share should be flat across all staff or not. This gave the trustees a sense of responsibility to make these important decisions fairly.
- We encouraged them to celebrate EO Day as a reminder of what EO is and its impact.
- We suggested that employees were given membership certificates to assist with their sense of ownership. These are now proudly displayed in team members' lockers.

“ These changes got the trustees thinking about their own personal impact on the businesses profit and what they could do to make savings and increase efficiency. ”



**CAT CARLTON**  
Corporate Partner and  
EO Specialist

# GET THE GREAT IDEAS HEARD

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When I became an Employee Trustee, lots of employees approached me with great ideas for improving or developing the business. It became apparent that there was no process for these ideas to be fed through to the firm's decision makers.

We therefore launched an online platform where employees can submit their ideas, and employees can vote to either support or opposed ideas. We then evolved the system so it can now also be used by the Management Board to propose ideas out direct to all employees for voting.

- It has shown employees that their voice is valued by the Management Board, and is a tangible display of the firm's commitment to employee ownership.
- Not only has it resulted in the firm introducing new initiatives following submissions from employees, but it has also resulted in the Management Board taking different directions on certain initiatives following the input from employees, meaning that initiatives receive greater engagement from employees as they had a hand in shaping them.
- It's increased employees' engagement with the Employee Trustees.
- As only those ideas which reach a threshold of support are submitted to the Management Board, this has overall saved management time.



**DAVE ROBBINS**

Corporate Associate and  
EO Specialist, & Trustee  
Representative

# EMPOWER YOUR TRUSTEES

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Reflecting on my three years as an Employee Trustee at Stephens Scown it's evident to me how essential it is to empower Employee Trustees to become leaders in order to make positive change.

There were two practical applications that helped the Trustees achieve this at Stephens Scown:

- Firstly, our People Development Director put a greenhouse over us so we knew we had the space and oxygen to acclimatise to our new roles – and that he was absorbing anything which might knock us off course.
- Secondly, I felt that our collective did not have the required structure and leadership needed for a group of 10 individuals to deliver together. So, I recommended and implemented a new role of 'Trustee Co-ordinator' which one Trustee would hold for three months and be the focal point and leader for the group. This enabled us all to feel empowered to step up during our term, with the full support of the Trustees group behind us.



**SAM MOLES**

Trustee Representative

## PUT THE TRUST IN TRUSTEES

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When the new cohort of Employee Trustees at Stephens Scown were appointed to replace the original Trustees, the group didn't understand how the Trustee role fitted in to the firm, or how the role should interact with the firm's Management Board.

Soon after being appointed, the Management Board introduced an initiative which the Trustees didn't think would benefit the business – but rather than having a constructive conversation with them explaining how the Trustees felt the issue could have been approached differently, the Trustees sent an email to the Managing Partner on Friday evening explaining how the initiative was an awful idea and that the Trustees wouldn't support it. Understandably the Management Board did not appreciate this approach, and the relationship became very strained. Thankfully, one member of senior management recognised the Trustees' naivety, and gave the group space to devise a Roles and Responsibilities document to reflect the remit of the Employee Trustees, and how the Employee Trustees felt they could work efficiently with the Management Board.

The Trustees now have a great working relationship with the Board, collaborating and consulting with them on numerous projects.



**DAVE ROBBINS**

Corporate Associate and  
EO Specialist, & Trustee  
Representative

## GIVE IT TIME

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We asked the MD about their plans for appointing employee trustees. Their intention was to choose themselves to make sure the “right” people were trustees. They settled on two to represent the 80 employee owners.

There was a lot of debate about how future trustees would be appointed. We gently suggested they involve the trustees in the decision-making process and it was agreed that the employees would vote in employee trustees in future.

The MD felt that the term of each trustee's appointment should only be 6 weeks to make sure no one was committed for too long, due to concerns that a truculent employee could stifle the trustee board.

We suggested that 6 weeks would mean a lot of time spent choosing employee representatives. Next, a term of 6 months was proposed. Our experience indicated that this would be a frustrating amount of time for a trustee as they would just start to understand the role and the expectations of them when their term was up. 18 months was then agreed as this would mean that a trustees' proposal could be implemented in that period.

This length of time has proven successful; the representatives are grateful to be trusted to implement changes, and the trustees are pleased they don't have to go through the changeover process too often.



**CAT CARLTON**

Corporate Partner and  
EO Specialist

# TIMING CAN BE KEY

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We were approached by a business that had identified a very clear date to transition to the employee ownership model.

We produced a timetable document for all interested parties to see. It outlined the key milestones for advisers and client to achieve in order to meet the deadline.

We had weekly meetings to measure progress against the ambitious timetable. We were pleased to complete the transition on budget and on time.

For a different client, we were able to provide post-transition support. The trustees were not sure about their role and how to provide the governance expected of an employee owned business. We helped them put in place some more effective meeting tools such as:

- agenda setting
- minute taking
- actions lists
- maintenance of statutory books
- requisite filings

All of which have provided a more secure footing for the trustees to be better informed to make decisions.



**GAVIN POOLE**  
Corporate Partner and  
EO Specialist

# LOOK OUTSIDE OF YOUR BUSINESS

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Each business is unique, and every EO opportunity or challenge will be framed through your specific circumstances. However, there will be broad points of comparison that other businesses have experienced and have insight of, insight that they'd probably be quite willing to share with you.

Breaking out of the silo of your businesses' lived experience can help you to take the blinkers off and learn from what others have done – both successfully and unsuccessfully.

Additionally, the peers that you meet might become external trusted advisors in whom you can seek objective feedback away from the subjective experience within your business and Trust Board.

The eoa's Hub is an online space with communities where you can facilitate this. Additionally, Stephens Scown run their own free monthly virtual knowledge share to facilitate peer relationship development and the sharing of experience and insight.



**SAM MOLES**  
Trustee Representative

# KNOWLEDGE IS POWER

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Planning is key when a business wishes to transition to an employee ownership model (EO).

We were approached by the owners of a business who very eager to tell their employees they were going to become EO very soon. Having had a discussion with them and learning more about the interesting work they did, it became clear to us that an important consent was required.

The government introduced the National Security and Investment Act 2021 (NS&I) which came into force in 2022. Certain transactions require approval under the NS&I act and this was the case here. If approval is not sought, the government has the power to undo the transaction! Our clients had not even heard of this. We swiftly prepared and submitted an application and we received the consent in plenty of time.

It is important for business owners to think who else they need to talk to about their EO transition. It is not only their employees and their lawyers.



**GEORGE DEMIREV**  
Corporate Solicitor and  
EO Specialist

# EXPECT CHANGE

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When Stephens Scown announced it was becoming an employee owned business there was a great level of excitement and naturally lots of questions about how employee ownership would work. Initially, the attention amongst employees was mainly on the profit share (quite understandably because that was the most obvious and identifiable change for employees).

A lot has changed since then. Most notable is:

- The language we use about the business and being employee owned leading to a huge shift in culture and the way we think as employee owners.
- More inclusion and involvement of employees with decision-making.
- A greater sense of ownership and responsibility amongst the entire business knowing that our individual efforts directly impact our clients and the business' performance.
- Employees now have a direct line of communication with the Board via the Trustees to give feedback and share ideas, driving innovation.
- The Board have a more open approach to sharing information about how the business is doing and we are part of the plans for the future.

What I've learned is that early engagement with employees and a clear idea of the aims of becoming employee owned is a key starting point. Stephens Scown's employee experience has evolved and will continue to develop but since 2016 we now have a much clearer understanding of the role of employees within the business, the role of the trustees and their relationship with the board.



**JENNIFER SHORT-MARTIN**  
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# OUR EMPLOYEE OWNERSHIP TEAM

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We believe that EO has an important part to play in the future shape of business and it's our intention to provide the best support to companies taking that journey. We'd like to be able to help you too.

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