



ESOP Association, 29th Annual Conference, May 2006
Steve Dubb, Democracy Collaborative, University of Maryland
www.community-wealth.org

ESOP Pride: Overcoming Challenges

The ESOP Association held its 29th annual conference in Washington, D.C. on May 17-18, 2006. Employee stock ownership plan (ESOP) company leaders gathered to assess the current state of the ESOP movement and to build for the future. ESOP Foundation. At the conference, participants attended panels on dozens of topics. Sessions ranged from discussions of how to build strong ESOP governance and an employee ownership culture to more technical matters, such as company valuation, trusteeship rules, and regulatory decisions.

Highlights of the conference include two keynote addresses by CEOs of companies that had weathered Hurricanes Katrina and Rita in the Gulf Coast the previous summer. Richard Zuchslag, CEO of Acadian Ambulance Services in Lafayette, Louisiana explained how the employee-owned company that he leads, started by Vietnam vets, has grown to where it now has 220 ambulances, 2,000 employees, and \$200 million in revenue

Acadian became 30% employee owned in 1993. In 1998, the company became 100% employee-owned. When Katrina hit the Gulf Coast and New Orleans, because of careful pre-storm preparations, Acadian had the area's only reliable communication system. With the assistance of the Federal Aviation Administration and others, Acadian was able to borrow 30 civilian helicopters. In three days, Acadian paramedics evacuated seven downtown hospitals and a total of 7,000 people. An article published in *Inc.* magazine after the storm would label Acadian the "anti-FEMA."

Brookshire Brothers, based in Lufkin, Texas (north of Houston) has 5,800 employees who staff 70 gas stations and stores over a 600 square mile area. It became 70% employee owned in 1999 and is now 100% employee owned. It has 5,800 employees. The company, according to CEO Donny Johnson, has over \$1 billion in annual revenue. Like Acadian employees, the employee-owners of Brookshire performed beyond the call of duty. In many cases, Brookshire employees lived at the stores during the storm. In some cases, employees ran grocery stores in parking lots with tents and battery operated cash registers. In some communities, the Brookshire stores provided the only open stores for community members who were recovering from the storms.

J. Michael Keeling, President of the ESOP Association also addressed the conference. "Our vision is employee ownership," Keeling said. "We envision an America where everyone in America values employee ownership and employee ownership is well recognized. We look for our nation to become an example of prosperity with justice through employee ownership."

Despite the growth of the ESOP movement over the past 3 decades from 250,000 members to 10 million, Keeling cautioned that, “We need to educate and advocate. Where we are today is not anywhere near where our vision of the future is.”

“Employee ownership,” Keeling said, noting the examples of Acadian and Brookshire, “does better under incredible circumstances. ESOPs’ pride,” he predicted, “will conquer the challenges of the 21st century.”