

CANVAS

FAMILY AND ALTERNATIVELY OWNED
BUSINESS EDITION

SPRING 2017

BY *Saxton Bampfylde*



BEYOND THE STOCK MARKET –

PROSPERITY OF THE FAMILY AND
ALTERNATIVELY OWNED BUSINESS



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ALTERNATIVELY OWNED BUSINESS EDITION
BY SAXTON BAMPFYLDE

WELCOME

Welcome to the Spring 2017 edition of CANVAS, an insight update from Saxton Bampfylde. Our aim is to share interesting thoughts and perspectives on topics and issues that are relevant and current in your sector.

We very much welcome any thoughts, comments, or inputs you would like to share.

We hope that you enjoy CANVAS.

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KATE LUDLOW



EDITION OVERVIEW



Stephen Bampfylde

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The rate of change in today's working environment is phenomenal. Mass digitalisation, increased globalisation and an ostensibly fragmented political and economic backdrop necessitate it. One of the most obvious products of this change, is also one of the fundamental drivers in moving it forward – the 'millennial' generation workforce. A highly educated, talented and more questioning generation than has gone before them, they look for greater meaning in their work, what it can do for them and how to create a life beyond their jobs.

This presents a real challenge to business. It requires employers to think more effectively and creatively about how to harness the energy and drive that this generation brings to the marketplace, and consider how to

sustain that in the long term to benefit both people and organisations.

Alternative models of business, such as employee and family owned, partnerships or shared enterprises can greatly enhance an employee's sense of ownership and helps to promote an harmonious and beneficial relationship. These models typically offer an opportunity to take a longer-term view in contrast to those constrained by shareholder reporting in the stock market. The millennial generation has much value to add, but is also keen to be recognised and to reap benefit in the long term.

In this edition we provide insight from an event which recently took place at the RSA (Royal Society for the encouragement of Arts,

Manufactures and Commerce) and involved three champions of employee owned business, including Saxton Bampfylde. The topic for the panel-led event was 'Partnership, Purpose and Productivity'.

We will consider what is the key to productivity and prosperity and how to engage the current and future generations of employees to deliver and strive on a daily basis.

The alternatively owned business sector is demonstrating real innovation and flexibility and delivering impressive results. For this, it is attracting interest at an unprecedented level. **C**

PARTNERSHIP, PURPOSE AND PRODUCTIVITY

AN INSIDE OPINION

In November Stephen Bampfylde was delighted to join Sir Charlie Mayfield, Chairman, John Lewis Partnership, and Sacha Romanovitch, CEO, Grant Thornton UK LLP, on a panel chaired by Matthew Taylor at the RSA. The topic was “Partnership, Purpose and Productivity”.

The areas being discussed by the panel focused on the nature of work and employment and how rapidly it is changing. In the face of an uncertain economic future, what steps do we need to take, and what new models do we need to build in order to ensure that everyone has the opportunity to engage in work that has meaning and value?

Coming near the end of what can only be described as an extraordinary year in terms of local and global politics, as well as a seemingly unsettled economic backdrop in the UK, optimism might have been thin on the ground as this event unfolded.

However, positivity and confidence were most definitely in the air as three senior figures from seemingly very different business worlds took to the stage at the RSA. These organisations which on the surface could be broadly categorised as executive search, retail and professional services, were also very striking in what sets them apart from others in their sector, and aligns them so closely with each other.

Apart from the more obvious point that they

all represent models of employee owned business, the overwhelming alignment comes in their recognition of the need for a fundamental shift in leadership and management style to facilitate and ease the pathways of change, and to evolve for the future.

High on the agenda was the indisputable advancement of technology, which is too quick for the majority, according to research referenced by Sir Charlie Mayfield that 51 per cent of people in the UK think ‘innovation is happening too quickly’. In retail the impact of technology is vast and so obvious to all consumers on a daily basis. However, for those within the industry, and particularly leaders within it, what is important is how to harness this technological revolution to ensure that current and future employees remain engaged, and more importantly employed and valued. The concept of workplace automation is one that strikes a chord across all sectors, with the threat that all workers (and even the leaders) might one day be superfluous. However, this idea was strongly refuted by the panel with Sir Charlie predicting a greater number of jobs being created from the growth in technology, just different roles and methods.

Throughout history across many areas of life, there is a recognition that an increase in automation often goes hand in hand with an increase in production. However, does this always mean an increase in productivity? The buzz word from the Chancellor’s Autumn statement (delivered a few hours before this event) ‘productivity’ and how we can increase it, was front of mind for many of those in the room.

“51 per cent of people in the UK think ‘innovation is happening too quickly’.”

It is not automation however that is the apparent key to this, although of course improved systems and methods to increase efficiency are very important, the overall consensus was that to improve productivity requires a greater understanding of, and listening to, what drives employees and leaders. What makes them tick, what drives them to succeed and how can they be supported to be more productive is essential. According to Sir Charlie, nine out of ten people to be employed in the next decade are already in the workplace. The time to act is now. We need to be looking at understanding their needs, their progression abilities and not simply focusing on the entry stage and how to get people in the doors. We need to understand how we can make them stay, improve them, preserve and value them. This is what will provide greater productivity in the workforce.

Sacha Romanovitch describes the absolute need for a huge cultural shift for business. The current industrial model of self-interest, hierarchy and competition is on course to fail in today’s connected and enlightened society, she believes. Business, and indeed other sectors, need to look to an agile business model which engenders collaboration, listening and a shared purpose. A model that is more akin to that of an employee owned or shared enterprise organisation. The language needs to evolve, the approach needs to be more positive and inclusive and a trust in employees to deliver success, will



in turn bring a greater trust of leaders. Autonomy, even in a heavily regulated industry such as accountancy and financial services is possible, according to Romanovitch.

Those most receptive to this change is the very generation that will help drive it forward – the millennials. With one audience member even claiming businesses she has overheard summing up their future direction with a comment such as: 'We must have a purpose; we need some millennials.' While this paraphrasing of a very real issue may cause more amusement than anything, it is a very stark warning to business that this is where the balance of power lies.

Stephen Bampfylde agreed with this outlining that the millennial generation knows what they want, how they want it and also are prepared to work hard and evolve to deliver it. They know they need to work together (usually) and that they also need to have time to live. Losing that balance is a very real and present issue and one that must not be ignored.

Ultimately, the challenge lies with how leadership is to be interpreted and undertaken across all models of business in the UK. Stephen Bampfylde reflected that there is a mood of change across



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many leaders of the sectors his firm works with. Whether it be paranoia, inspiration or optimism for the future, he indicates that many are looking over the horizon at what needs to be done to evolve the leadership model.

Despite the results of our most recent political referenda, the future of business is not and cannot simply be a yes or no answer. is not binary, and neither can leadership be. We need to be asking questions, rather than

always providing instructions. We need to build communities and put trust in others, and make those people see that this is the future. There is no denying that profit and productivity are important to the future of business in the economic and political environment in which we live. However, what must not and cannot be forgotten is what makes us prosper, what makes us human: how we live, thrive and evolve together.

The RSA is an organisation renowned for its

positive and collaborative approach, encouraging and inspiring its networks to think creatively and offer insight into how society can be advanced and improved. This event generated some very interesting thoughts and insights right across the spectrum. From globally recognised brands, family businesses, charities, and faith organisations, through to policy makers, social care providers, and students, there was a consensus that positive change is needed.

This decade looks set to be the time when employee ownership enters the mainstream of the UK economy, according to the [‘Nuttall Review of Employee Ownership’](#). With champions of these models using the inclusive and innovative rhetoric we heard, but also practically implementing these methods to drive forward their organisations, it seems that the optimism in the room was not misguided. **C**

“What must not and cannot be forgotten is what makes us prosper, what makes us human: how we live, thrive and evolve together.”



**“We must have
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**WATCH THE VIDEO OF
THE EVENT, VISIT:**

www.saxbam.com/rsa-partnership

PANEL SPEAKERS



SIR CHARLIE MAYFIELD

Chairman of John Lewis Partnership. John Lewis is one of the UK's most recognised employee owned businesses, having retained its commitment to this model since 1920 when the John Lewis Partnership was created. Sir Charlie Mayfield is the fifth Chairman of the John Lewis Partnership. He joined in 2000, was appointed Managing Director in 2005 and then became Chairman in 2007. Charlie is the Government appointed Chair of the UK Commission for Employment and Skills and President of the Employee Ownership Association.



SACHA ROMANOVITCH

CEO of Grant Thornton, UK LLP. Grant Thornton's partners chose to move to a shared enterprise model at the end of 2015. Sacha became the first female to be elected as CEO of a major accountancy firm and took up the role in July 2015. She also sits on the UK National Advisory Board to the Global Social Impact Investment Steering Group.



STEPHEN BAMPFYLDE

Stephen is co-founder and Chairman of Saxton Bampfylde. The firm, now in its thirtieth year, made the transition to becoming employee-owned in 2014. Under this structure has an elected Trustee body of six elected Partners and an independent Chair. Stephen co-founded Saxton Bampfylde in 1996 and oversaw its transition to becoming employee-owned in 2014. Stephen was on the advisory boards at Cambridge and City Universities, and a former Chairman of Guildford Cathedral Council.

NEWS ROUND-UP

WE PROVIDE A BRIEF INSIGHT INTO KEY NEWS ITEMS THAT ARE CAUSING A STIR LOCALLY AND GLOBALLY.

Social care dilemma – are alternatively owned businesses the answer?

With an ageing population and an NHS that is showing serious signs of strain, there is a very real issue facing the UK – where will the provision of social care come from. [Lady Ros Altmann](#), former pensions minister under David Cameron has said that “Britain is in danger of ‘sleepwalking into a social care crisis’”.

In a recent survey by [Social Enterprise UK](#), it found that 10 % of social enterprises listed social care as their primary function. The idea that many of these organisations are employee owned, not for profit and having more closely tied to local communities, is generating greater engagement from staff and those being cared for. With greater demand across the UK, it would seem that this drive from social enterprises may just provide a [significant part to a longer-term solution](#) ([guardian.com](#), October 24).

In support of this approach, is a [recent report](#) launched by the Co-operative party (Co-operative news, November 15) the ongoing devolution agenda must go beyond metro



mayors and combined city authorities, giving more power at a local level. Following a co-operative enterprise model, the report calls for communities to play a leading role in

driving local economic priorities, such as social care, including through the development of employee and customer-owned co-operative businesses.

Employee Ownership Association annual conference – an update



Saxton Bampfylde was delighted to attend the [EOA annual conference](#) in Birmingham on 21 November, the association's largest ever with an impressive 630 delegates. Despite coming at the end of what has been a hugely tumultuous year politically and economically, people remained upbeat. Members were energised by the belief that the employee ownership model offered a strong solution to new and ongoing challenges around work force engagement, ethical business, innovation and long term success.

[Saxton Bampfylde](#) Trustee Andy King joined a panel exploring the roles and responsibility of the trustee and elected representative. He shared thoughts on Saxton Bampfylde's experience of setting up our own governance structure and learning from the development of the trustee's role over the last 2 years. The group was keen to exchange ideas on partner engagement and communication, defining the roles of the executive and trustee board and the successful transition to a new EOB structure.



Dyson University – expanding the family business to address a skills shortage

Dyson is one of the names most synonymous with modern family business in this country. For James Dyson, inventor and founder of the business, he recently said that he will ‘never’ float or sell his company, planning to keep it in the family for at least another generation with his son Jake to take over in the future ([The](#)

[Telegraph](#), September 13).

As part of his drive to keep the family business innovating, and also with an eye on the future Dyson is leading the charge into privately-owned higher education institutions. The recent announcement ([The Guardian](#),

4 November) that he plans to set up the Dyson institute of technology to address the chronic skills gap in engineering in the UK demonstrates both his commitment to this sector and also his faith in his family name and legacy to drive this forward.



VIEW FROM THE RIVER

KATE LUDLOW

Take a closer glimpse into the Saxton Bampfylde team with our regular View from the River feature. The company's London office is based next to the iconic Thames where the majority of the team works from.

TEAM INSIGHT

Kate Ludlow is a Partner in the alternatively-owned business and retail and consumer practices.

PAST, PRESENT AND FUTURE WITH SAXTON BAMPFYLDE

I started life at Saxton Bampfylde as a researcher (with a brief secondment with our partners in Vancouver). Today I work as a consultant, primarily in our commercial practices working with a range of clients.

RAINY DAY DELIGHTS

I went to stay with a friend in New York this October– I would love an excuse to spend another afternoon wondering round the Met Museum of Art. Once you get beyond the first rooms immediately surrounding the entrance, the crowds thin out and you can just get lost in the exhibition rooms meandering through Egyptian temples, Islamic art, European and American masters and even American basketball memorabilia. The Roof Terrace shouldn't be missed, even in the rain provided you have an umbrella.



PASSIONATE ABOUT

Choral singing. Whilst at University I was a choral scholar in my chapel choir. I was lucky enough to do a number of international tours and recording, and



even briefly harboured an ambition to pursue this professionally. While my vocal range definitely isn't what it used to be, I still manage to do the occasion concert each year, and still get the same buzz.

ONE HOT TIP

The Lido Café in Brockwell Park – does a great brunch, regardless of if you've braved the unheated Lido first.



YOUR SECTOR VIEW IN JUST THREE WORDS

Differently owned commercial

IS THE PROSPECT OF PARTNERSHIP A KEY INGREDIENT TO PRODUCTIVITY? IS ANYTHING ELSE REQUIRED?

Partnership and the prospect of partnership, if harnessed in the right way can be a key ingredient to productivity. When employees feel a genuine sense of accountability and responsibility for the business's performance, and ultimately commercial success, this can sharpen their individual and collective focus on innovation, ways of working, cost and of productivity.

GET IN TOUCH WITH KATE

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