

## CASE STUDY

### Gripple

#### MAIN BUSINESS

Wire tensioners and joiners

#### ANNUAL TURNOVER

£21 million

#### NUMBER OF EMPLOYEES

220

#### WEB ADDRESS

[www.gripple.com](http://www.gripple.com)

The successful launch in 1988 of a wire joining and tension device called a Gripple not only gave the company producing it its name but also provided the impetus for employee ownership. The award-winning Sheffield company has since developed over 500 new products and its operations now span Europe and North America, with an office near Strasbourg and another just outside Chicago. Turnover went from £2.5 million in 1994 to £21 million in 2006 and the company's aim is to grow by at least 40% a year for the next five years.

Having sold one company, giving 10% of the proceeds to its staff, Gripple's founder and Chair, Hugh Facey MBE, wanted to ensure that the workforce of his new firm also enjoyed some of the financial benefits by encouraging them to take a stake in the business. Rather than give them equity, he invited employees to purchase non-voting shares. Around 58% of the initial 20-strong workforce bought shares.

Now 78% of current employees, who number 220, own some equity. To ensure employee share ownership remains high, since 2004 new employees have been required to buy £1,000 worth of shares one year after joining the firm. The firm offers loans at the prevailing Bank of England rate to enable employees to purchase equity.

The share price is generated by profits. Shares that in 1994 cost £1 are now worth more than £18. A third of all post-tax profits are paid as dividends.

An internal market operates for the buying and selling of Gripple shares, meaning equity remains in the business when an employee leaves or wants to sell some of their shareholding. A share committee, consisting of the company chair, who owns all voting shares, a director, representing non-voting shareholders, and the company secretary oversee the internal share dealings. The company has set aside a pool of money to buy shares and endeavours to purchase all unwanted shares, though there is no guarantee. If shares are available, employees can purchase them.

Innovation is at the heart of the culture at Gripple and employee ownership is seen as the best way of encouraging creativity. There is a flat management structure and no formal job descriptions. All employees are expected to work as a team and there are regular communication meetings, including daily shift meetings and team briefings.

Hugh Facey plans to eventually put 51% of shares into a foundation to ensure the continuity of the business and other businesses that it is currently spawning, so that the firm cannot be sold without the agreement of 76% of the non-voting shareholders.

Hugh Facey welcomes visitors to the company's Old West Gun Works, and telephone callers wishing to discuss employee ownership ([h.facey@loadhoglids.com](mailto:h.facey@loadhoglids.com)).

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