



## **The Foundation for Enterprise Development Retrospective**

### **30 Years of Transforming Organizations—and the World — through Entrepreneurial Employee-Owned Enterprise**

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**The Foundation for Enterprise Development’s Retrospective:**  
30 Years of Transforming Organizations—and the World —  
through Entrepreneurial Employee-Owned Enterprises

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## Foreword

Dr. J. Robert Beyster was an inventor, scientist, entrepreneur, and scholar...of employee ownership.

Many years ago I sat down with him for a long interview about his life and thoughts. He carefully entwined the idea of employee ownership in his entire life story. He said the idea came from the fundamental principle of fairness, that the people who created wealth should share that wealth. He tied this specific idea to Christian social values his parents instilled in him when he was very young. The single one-person he credited with inspiring him about this idea day-to-day, especially, regarding how he built the company and stayed with the idea decade after decade, was his wife, Betty. He told me that he always had her total ideological support to make employee ownership a central tenet of his business approach.

Dr. Beyster believed that people who were owners would build a different kind of organization and that this would guide their actions in their work and that ownership would impact how they treated their customers and each other. He also believed that widely held ownership of business was necessary for a free society and a democracy to exist.

Because Dr. Beyster felt that ownership was a natural right, he believed and acted as if people were motivated by ownership in a very fundamental way. For him entrepreneurship was not mainly a “me” sort of thing, about imagining and building and having something as big and influential as it could be. Instead, entrepreneurship was about taking on nationally important problems, being competitive, participating in a meritocracy, and making a difference.

Employee ownership had consequences for the way he built organizations. Dr. Beyster was a scientist after all, so he took ideas, carried them into the laboratory, set them loose in the world, measured, experimented, invented things out of them, delivered them to the world, and then kept going back to see how they were doing. When he spoke about the early days of building Science Applications International Corporation (SAIC), Dr. Beyster recounted how the story of scientists working together unfettered by the weight of hierarchical bureaucracy on big-idea projects also meant figuring out how to design profit shares and equity shares from the very first days.

For him, employee ownership was part of the very DNA of SAIC, it was the secret sauce of the organization, it was a critical way the organization contributed to society. It was also his personal science project in the realm of organizational behavior. He spent a lot of time examining how to share profit and equity with co-workers based on their performance, and he spent a lot of time figuring out how to structure employee ownership as the glue of SAIC. It was fundamental, it was integral, and it was the way he believed society should look. He told me that he threw many an investment banker, lawyer, and accountant out of his office to go back and just figure out how to make employee ownership work. And it did—year after year, for more than 35 years, right through becoming a Fortune 500® business.

Finally, employee ownership had consequences for his legacy, and like everything else he did, he was thorough and scientific about it. He set up the Foundation for Enterprise

Development in 1986 to study and educate others about employee ownership. He wanted to see evidence scientifically collected and then applied on employee ownership. He supported the Beyster Institute at the Rady School of Management, UCSD to develop serious employee ownership programs in an entrepreneurial business school. He endowed the first chair of employee ownership at Rutgers University to serve as an east coast nodal point. As many of us saw in his career, he respected the energy of the young scientist and inventor. He founded the Beyster Fellowship program managed by Rutgers University's School of Management and Labor Relations on behalf of the nation to spread the serious research of employee ownership throughout academia with a special focus on young scholars.

Dr. Beyster's entrepreneurial spirit influenced many people and his contributions were immeasurable. He built lots of innovative and remarkable things, and worked on many projects of national importance. He knew that one idea would be enduring and eternal, he knew it would outlast particular organizations, and he did so much to make sure that it would go on and on with his support into the future. That idea was employee ownership. He literally set the table so that many organizations and individuals would carry on the academic study and the practical application of the idea he cared about so deeply.

Thank you, Dr. Beyster.

Joseph R. Blasi

J. Robert Beyster Distinguished Professorship

School of Management and Labor Relations, Rutgers University

New Brunswick, New Jersey

## Introduction

*During the late 1980s, I was convinced that employee ownership would take the world by storm, and that we could play a major role. I therefore decided to start a nonprofit organization dedicated to spreading the gospel of employee ownership... The words of Margaret Mead provided great inspiration to our small but devoted staff as we sought to promote enterprise development worldwide. She said, “Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has.”<sup>1</sup>*

—J. Robert Beyster

One of the great conundrums of the art and science of business management is how to get employees to treat the companies for which they work as if they owned them—as if they had a meaningful stake in the companies’ fortunes, their profits and losses, and their futures. Interestingly enough, the answer to how to solve this conundrum is right there before us—hidden in plain sight.

The way to get employees to treat the businesses for which they work like owners is to *make* them owners.

Dr. J. Robert Beyster—CEO and chairman of SAIC, the company he founded in La Jolla, CA in 1969—understood the importance of making employees owners, and he committed to doing just that with his own company. Beginning with its project managers, scientists, and other technical staff, SAIC awarded stock to employees based on their performance. Eventually, this system of employee ownership broadened to administrative and other staff so that every SAIC employee had the opportunity to become an owner. To maintain its privately held status (the company did not go public with an IPO until October 2006), the company developed a number of employee-ownership innovations, including Bull, Inc.—its own captive broker-dealer that managed SAIC’s internal stock exchange.

In great part as a result of its employee ownership culture, SAIC grew quickly—from \$243,000 in revenue in 1970 to \$8 billion in revenue by 2006, the year Dr. Beyster retired.

But the question remained—how could the idea of employee ownership be spread to other companies so that they, their employees, their customers, their owners, and the nation as a whole could benefit?

Dr. Beyster decided that something needed to be done, and this something turned out to be the Foundation of Enterprise Development (FED), which he founded in 1986. The reasons for the creation of the FED were clearly stated in the organization's Articles of Incorporation, filed November 12, 1986:

*The specific purposes of the Corporation are to focus on the American free enterprise system with emphasis on the trends since World War II to provide education to the public for the development of technological growth. A part of this specific purpose will be the examination of the forms of ownership most likely to stimulate growth and excellence, and develop strategies for improvement.*

While the focus initially remained squarely on the U.S., the collapse of the Soviet Union and Eastern Bloc in 1991 brought with it opportunities to foster employee ownership via the privatization process in Russia and the other former Eastern Bloc countries. And later—as the winds of change blew through the Middle East—opportunities to foster employee ownership arose there as well. In each case—and many others to come—the FED stepped in to fill the void by initiating programs that would have far-reaching impact.



*Dr. J.R. Beyster at 2<sup>nd</sup> annual FED Symposium (1988)*

## **In the Beginning**

*I can't help but believe that in the future we will see in the United States and throughout the Western world an increasing trend toward the next logical step, employee ownership. It is a path that befits a free people.<sup>2</sup>*

—President Ronald Reagan

The 1980s was a time of great economic turbulence for the U.S. In the early '80s, the U.S. (and, indeed, much of the developed world) was in the throes of a severe recession, which by December 1982 had pushed the U.S. unemployment rate to 10.8 percent—the highest since the Great Depression. Bank failures were rising dramatically, the savings and loan industry was in crisis, and the real estate market was collapsing as the prime interest rate peaked at 21.5 percent in June 1982.

At the same time, Japan was increasingly being seen by the U.S. as a serious economic competitor—and threat—and politicians and business leaders scrambled to find ways to ensure the U.S. did not fall behind its former World War II adversary. Japan's gross national product was the world's third largest (behind the U.S. and the Soviet Union) during the 1970s, and the country experienced an economic boom beginning in 1986—with economic growth averaging five percent a year.

Concerned about America's economic decline, U.S. government and business leaders looked for ways to turn the tide. This concern culminated in a conference on Employee Participation in Ownership and Management held in Caucus Room 210, Cannon Office Building, Washington, DC on October 6, 1987. Participants included J. Robert Beyster, Senator John D. Rockefeller, Senator Max Baucus, former Senator Russell B. Long, who sponsored much of the early federal legislation promoting employee ownership, Professor Joseph P. Blasi, the leading academic researcher on employee ownership, and Corey Rosen, co-founder of the National Center for Employee Ownership, as well as numerous managers, technologists, financiers, union leaders, and others interested in improving the productivity and competitiveness of the American free-enterprise system through increased employee participation and ownership.



*Congressman Kanjorski, Prof. Joseph Blasi, and Senator Long  
at 1<sup>st</sup> annual FED Symposium (1987)*

*Most of us are here because we believe that true employee participation and ownership is fundamentally fair and right and presents a real opportunity for this country. We believe that employee participation and ownership can help national productivity and quality in a major way—especially if established in good faith, in a non-self-serving manner, in such a way that employees really get a say, and with full management support.<sup>3</sup>*

—J. Robert Beyster

*The financing in some respects may be new, but we started out as an employee-owned country. This has changed over the last 100 years, until we have reached the point now where most of our people do not own any capital. If we are going to be a capitalist country, why not have all or at least some more of our people be capitalists?<sup>4</sup>*

—Honorable Russell Long

This first conference on Employee Participation in Ownership and Management gave the FED a tremendous boost—leading to numerous conferences, workshops, and partnerships with industry, sponsors, and other nonprofits as interest in the ideals and application of employee ownership continued to grow. The time was right—businesses, government, and academia were all aligned in the common goal of improving the competitiveness of American industry and the prosperity of the American worker. And the FED provided the forum—and the vision—for these lofty goals to be reached.



*Michael Higgins & Bob Beyster at 1<sup>st</sup> annual FED Symposium (1987)*

### **A History of Innovation—and Accomplishment**

*Employee ownership promotes fairness, efficiency, and a participatory culture that helps companies make the best use of their financial and human capital. As domestic and global markets continue to change, only by creating responsive and responsible*



*organizations that reward employees fairly can we maximize the talents of our employees and effectively develop our enterprises to meet future challenges. We at the FED continue to offer our support in developing and improving these types of organizations.*<sup>5</sup>

—J. Robert Beyster

During the course of its 30-year-long history, the FED undertook many different initiatives—strategically seeding them into the world and encouraging them to sprout and grow. These initiatives were focused in three key areas:

- Developing an academically rigorous case for the benefits of employee ownership
- Creating new and innovative approaches and tools to encourage and implement employee ownership in businesses—both within the U.S., and internationally
- Promoting and advocating for the ideals of employee ownership within government, academia, and the business world.

In 2002, the FED founded the Beyster Institute to further spread the ideas of employee ownership while providing training programs, seminars, advisory services and higher-educational opportunities for leaders of employee-owned companies. This mission eventually grew to the creation of a variety of programs, including MBA courses on employee ownership, internships, visiting scholars, academic case studies, and consulting to business owners and professional advisors. In 2004, the Beyster Institute joined the Rady School of Management at the University of California, San Diego, and the FED continued to launch new entrepreneurship and ownership initiatives of a multi-university and multi-disciplinary nature.

The following pages provide an overview of some of FED’s key areas of innovation and accomplishment.

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*You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.*<sup>6</sup>

—Buckminster Fuller

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## Entrepreneurs

In great part because of SAIC's entrepreneurial origins and culture, entrepreneurs were a focus of the FED from its earliest days. During the 1990s, FED was selected as Regional Administrator for Premier FastTrac—an entrepreneurial training program underwritten by the Center for Entrepreneurial Leadership at the Ewing Marion Kauffman Foundation. The FastTrac program comprised two courses. FastTrac I was a program for aspiring entrepreneurs, those with careers in transition, and those wishing to test the feasibility of their ideas. FastTrac II was for practicing entrepreneurs and small business owners and was designed to help them develop a plan for their business. The goal for the courses was for participants to walk away with their own professional operational, marketing, and business plans. During 1996, 40 entrepreneurs successfully graduated from the first San Diego program.<sup>7</sup> With the overall success of the FastTrac program, the Foundation decided to expand its horizons by going bilingual. In late fall 1997—funded in part by the Jacobs Family Foundation—FED offered a Spanish language version of FastTrac. This was the first-ever Spanish pilot offered in the nation. The program graduated 15 Hispanic small business owners in December 1997.<sup>8</sup> Throughout its history, FED provided a variety of resources to entrepreneurs/businesspeople, including FED newsletters, Journals of selected readings, Entrepreneur's Guide to Equity Compensation, International EO Lit Kit, courses (e.g., Managing an EO Company), workshops, web resources, books, and much more.

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*Employee participation programs and employee ownership are important efforts to deal with powerlessness at work.*<sup>9</sup>

—Daniel Yankelovich, public opinion analyst

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## Industry and Employee Ownership

While entrepreneurs were a primary focus of the FED, established businesses were also targeted to spread the message of employee ownership. FED fostered the development of highly productive and competitive employee-owned firms by providing five major advisory activities: (1) providing shareholder liquidity; (2) creating an ownership culture; (3) using stock as an incentive; (4) designing fair and effective employee ownership plans and strategies; and (5) effecting corporate divestitures.<sup>10</sup> In 1990, the Aspen Institute conferences on the Future of the Corporation were initiated—sponsored by the FED and Polaroid. And in fiscal year 1992, FED worked with more than 30 firms interested in setting up employee ownership plans, providing liquidity to employee shareholders, or enhancing existing employee ownership and participation methods.<sup>11</sup> As interest in employee ownership continued to grow, FED worked with larger companies as well, such as the employee buyout of United Airlines a landmark employee ownership transition in 1994 in which United employees invested almost \$5 billion through wage and benefits reductions and work rule changes in return for majority ownership of the airline. FED staff worked with United's staff, providing information and sharing experiences in educating employees in their new role as empowered employee owners.<sup>12</sup> Today, that work continues at the Beyster Institute, which consults with more than 60 firms a year and reaches hundreds with their webinars, training, and conference sessions.

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*Research consistently shows that the companies that combine significant annual contributions to an ownership plan with regular, structured opportunities for employees to participate in decisions affecting their jobs, and who routinely share information about company financial performance with employees, perform far better than those who do not.*<sup>13</sup>

—National Center for Employee Ownership

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## Russia/New Capitalists

Another long-term goal of the FED was to provide business assistance to companies in emerging market economies. This goal came to the fore in a surprising and unexpected way when the Soviet Union broke apart in 1991 and the Eastern Bloc nations fell out of the Soviet orbit. The FED quickly recognized the opportunity to introduce economic reforms to these newly independent countries, while promoting the idea of employee ownership. In January 1992, FED associate directors Ron Bernstein and David Binns spent three weeks in the Russian city of Saratov working with the Saratov Aviation Plant (SAP) in a pilot project to assist their conversion from a worker's collective to an employee-owned joint stock company. FED staff was on hand when the 15,000 employees of SAP voted overwhelmingly in favor of a proposal that completed the company's transition to a 100 percent employee-owned company.<sup>14</sup> In a separate Russian initiative, the FED sponsored a conference on "Privatization through Employee Ownership," in Moscow. Hosted by the Gorbachev Foundation, with the support of Russia's Economic Reform Foundation, the conference attracted representatives from nearly 200 Russian enterprises that collectively employed more than 500,000 workers.<sup>15</sup> FED provided employee ownership consulting services to a variety of Russian companies in the context of their privatization programs and in 2002, the Beyster Institute was awarded a \$5 million contract to promote the development of entrepreneurship in Russia which led to the establishment of the U.S. Russia Center for Entrepreneurship based in Moscow. This center engaged in a variety of services to assist growth entrepreneurs as well as promote a culture of entrepreneurship in the country.<sup>16</sup>

FED subsequently provided employee ownership consulting services and authored multiple papers on the use of employee ownership in privatization and economic development in more than a dozen countries around the world.

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*People are hungering for property—for a secure, permanent and independent link with spaceship earth that ownership represents and which only ownership can protect or defend. It is humiliating to possess nothing, to own nothing, and hence to produce nothing and to count for nothing.*<sup>17</sup>

—Louis O. Kelso and Patricia Hetter

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## Entrepreneurship in Middle East and North Africa

In 2004, the Beyster Institute was awarded a \$2.5 million grant by the U.S. Department of State to provide advanced business training and networking services to entrepreneurs, senior executives, and managers from 15 countries in the Middle East and North Africa (MENA). With a strong emphasis on women and young entrepreneurs, this innovative training program—dubbed Middle East Entrepreneur Training in the United States (MEET U.S.)—was designed to identify, develop, and sustain a new core of business leaders for the MENA region. More than 200 businesspeople received training through six separate programs and events held both in the U.S. and the MENA region. The MEET U.S. program was sponsored by the Middle East Partnership Initiative of the U.S. Department of State, which was a Presidential initiative to support economic, political, and educational reform efforts in the MENA region and to champion opportunity for all people of the region, especially women and youth. The program was open to citizens from 16 countries and territories in the Middle East. The Beyster Institute was responsible for the management, organization, financial accountability, program development, and implementation of the MEET U.S. program,<sup>18</sup> and its work led to the publication of the book, *Entrepreneurs at the Crossroads: Success Stories from the Middle East*, published in 2006 in English, French, and Arabic.

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*I regard the movement towards the direct participation by the employee in the profit of the business as one of the most important and hopeful events of modern times, and as one of the best and most valuable fruits of the co-operative spirit.*<sup>19</sup>

—Alfred Marshall, economist

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## DARPA/SBA Innovation

Starting in 2006, the FED worked for more than 10 years with small businesses and the federal government to advance innovation by guiding enterprises with early-stage technologies

to further define those technologies for commercialization—either directly for the market or via supply chains to specifically targeted corporations having a need for such innovations.

For Defense Advanced Research Projects Agency (DARPA) Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) companies, the FED provided customized technology transition assistance to more than 150 U.S. small businesses. In addition, the FED provided program development and technical consulting services to stimulate science and technology (S&T) innovation being developed by these early stage and growth companies, which were mostly privately held and wanting to better engage their employees in the innovation and commercialization process.

In 2011, the FED led an expert team to help answer the question about the ownership and governance, organizational design, and investment vehicles for the sustainability of DARPA's 100 Year Starship (100YSS) program. The FED team was selected to present at the NASA 100YSS symposium organized by DARPA and NASA's Ames Research Centre in Orlando, FL.

For the Small Business Administration (SBA) award to the San Diego Advanced Defense Cluster, FED provided training services—including mentoring and counseling—to several hundred small businesses while helping them evaluate business, financial, and ownership alternatives for their growth.

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*It's not enough to just provide the financial benefit of ownership, you also have to treat your employees like owners.<sup>20</sup>*

—Corey Rosen, National Center for Employee Ownership

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## **Entrepreneurship and Ownership in Low Income/Urban Communities**

In the aftermath of the 1992 Los Angeles riots, the FED embarked on economic development programs with the goal of fostering local ownership in our nation's inner cities. The FED supported social entrepreneurs who were creating grassroots organizations using innovative approaches to bring local ownership to their communities. Throughout 1994, the FED worked closely with community organizers in one of San Diego's poorest and most violent

neighborhoods to help develop Neighbors United, a community- and worker-owned food cooperative and training center.<sup>21</sup> Also in 1994, the FED began providing technical assistance to grassroots organizations working to create economic self-sufficiency and local ownership in inner cities, using employee ownership as a vehicle for achieving these goals. A grant from the Thomas C. Ackerman Foundation partially supported the work. The FED worked with Food from the Hood (FFTH), a natural food products company located at Crenshaw High School in Los Angeles, which utilized its profits to fund college scholarships for student-owners. The FED assisted the parent company, the FFTH Entrepreneurial Training Institute, in the development of governance strategies. In another initiative, FED provided business assistance to Youth Employment Systems (YES) an organization founded in South Central Los Angeles to bring leadership qualities and employment opportunities to youth. With the FED's help, YES established programs to train at-risk youth in the construction trades.<sup>22</sup>

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*When the people who are making the decisions bear the responsibility for the consequences of those decisions, and also share in the rewards that accrue, better decisions will result.*<sup>23</sup>

—John Abrams, author, *Companies We Keep: Employee Ownership and the Business of Community and Place*, 2nd ed.

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## **Academic Research in Employee Ownership**

From its earliest days, the FED's leadership team intuitively knew that it wasn't enough to say that employee ownership worked—there needed to be proof from rigorous academic research to back it up, to explore when and how it works best, and under what conditions it does not work well. Over the years, this realization has led to a variety of different FED initiatives, including:

- **Beyster Professorship of Employee Ownership.** In 2009, the J. Robert Beyster Professor of Employee Ownership at the School of Management and Labor Relations was established at Rutgers University, and Joseph R. Blasi was named the inaugural chairholder. This is the world's first endowed professorship in employee ownership.



*Prof. Joseph Blasi at Chair Investiture with Rutgers University President Richard L. McCormick (2011)*

- **The Beyster Fellowship Program.** The Beyster Fellowship Program started in 2008 to support graduate students and faculty at business schools, engineering schools, social science departments, and entrepreneurship centers engaged in applied research studies and curriculum development. The program started with a handful of scholars and one other donor organization, and as of 2016, it has 10 donor organizations/individuals supporting more than 120 scholars—representing diverse academic disciplines across more than 50 universities in more than 30 states in the U.S.. The resulting research is guiding local, state, and federal policy as well as industry practice. Importantly, the scholars are building institutional knowledge at their respective universities and academic societies.
- **Emerging Scholar Awards.** In support of young scholars, the FED created an Emerging Scholar Award program on “Employee Ownership and Participation” in partnership with Academy of Management, the world’s leading management science academic association.
- **Beyster Fellowship Symposium.** The FED hosts the largest academic symposium of scholars involved in the interdisciplinary study of employee stock ownership and participation each June in La Jolla, California. Annual agendas and proceedings are available beginning with the inaugural symposium in 2009.



- **National Databases.** The FED helped establish the shared capitalism component in the 2010 General Social Survey. In addition, Beyster Fellows defined questions on shared capitalism to expand data available for government and researchers on key social and economic attitudes and behavior. The FED also supported the NCEO in updating a consolidated data set on equity compensation, including broad-based stock options, of more than 500 public companies.
- **J. Robert Beyster Papers.** The J.R. Beyster papers constitute more than fifty years of documents demonstrating the vision, entrepreneurship, and nationally important innovations of J. Robert Beyster and of Science Applications International Corporation (SAIC), as a privately held, employee-owned company. This collection will be available for scholarly research at Special Collections and Archives at the University of California, San Diego Library in 2017.



*FED & UCSD team initiating processing*

## Education in Employee Ownership

A particularly important part of the FED's mission is to increase awareness of ownership and participative management principles among students, entrepreneurs, and business leaders through educational curricula. The FED has sponsored many different programs to ensure the accomplishment of this objective.

- **Business Simulation Tool.** In collaboration with the FED, MIT Systems Dynamics Center designed and launched CleanStart, a free business simulation tool where participants play the role of a founder of a startup company in the exciting and competitive clean tech sector. The online, web-based simulation includes employee ownership impacts along with decisions on compensation, financing, and product development. Tens of thousands of students use this simulation every year.
- **Essay Contest.** During the 2010 fall term, the FED sponsored the first-ever multi-university essay contest to catalyze graduate and undergraduate students' thinking on business principles and strategies for establishing more sustainable economies in the 21<sup>st</sup> century through broad-based employee ownership and profit sharing. By

engaging young minds across the nation from a variety of schools, the Creating Wealth by Sharing Wealth National Essay Contest energized a national dialog with this next generation on using share the wealth principles for economic recovery. It also led directly to production of the first FED film: *We the Owners: Employees Expanding the American Dream*.

- **Library.** The FED and the Employee Ownership Foundation collaborated to create the largest online teaching resource for academics, the Curriculum Library on Employee Ownership (CLEO). CLEO contains more than 700 items focused on employee ownership, including up-to-date company case studies, syllabi, and other educational materials. This library now resides at the School of Management and Labor Relations at Rutgers University.

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*I saw an opportunity to use New Belgium as a learning lab where we could experiment with choices about sharing equity broadly, making collaborations inside our industry and using profits to promote learning about the environment.*<sup>24</sup>

—Kim Jordan, co-founder, New Belgium Brewery

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- **Curriculum Development.** Striving to integrate ownership principles and mechanisms into the core curriculum of business schools, the FED is supporting the production of teaching materials, including case studies, teaching modules, and syllabi. The Beyster Institute has been the leading player in this regard by designing and offering courses to MBAs, and establishing a comprehensive program of employee ownership governance education at UCSD including the Employee Ownership Management program; the Certificate Program for Non-Professional ESOP Fiduciaries; and the Corporate Directors' Exchange.
- **Entrepreneurship Competitions.** The FED seeds and actively engages with university-based pilots, competitions and accelerators that promote innovation, entrepreneurship, and leadership. Key programs with FED support include the MacArthur Foundation's 100&Change, the MIT Inclusive Innovation Competition,

the J.M.K. Innovation Prize, the StartR nonprofit accelerator, the X Prize competition designs, the UC San Diego Entrepreneur Challenge, and the Ernst & Young Entrepreneur of the Year.

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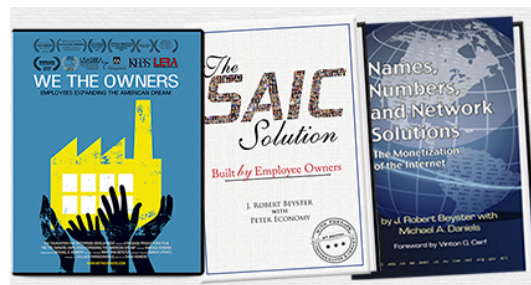
*Ownership is a risk, but it carries with it rewards that are worth the risk, as proven by the overwhelmingly positive track record of employee ownership in this country.*<sup>25</sup>

—Michael Keeling, president, The ESOP Association

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## FED Productions

While the FED has long considered the creation of informational and educational materials such as those noted above to be an important part of its mission, the production of films, books, and multimedia programs relevant to employee ownership became a specific goal of the organization. To date, one film and two books have been created under the auspices of FED Productions:



- **We the Owners: Employees Expanding the American Dream.** This documentary film highlights stories of three U.S.-based companies that are owned by their employees and have adopted broad-based employee participation, ownership, and governance. During the course of the film, employee owners from New Belgium Brewing, Namasté Solar, and DPR Construction answer this important question: What does it mean to be an owner? As the stories in the film show, employee ownership comes in a variety of shapes and sizes. But the core message from all of these companies rings out loud and clear: the power of the voice, vote, and shared ownership of employees cannot, and should not, be taken for granted. The film was selected by eight film festivals in the U.S. and internationally, received two awards, aired on multiple public broadcasting stations worldwide, has been incorporated into curriculum at more than 100 universities and into employee-training programs at hundreds of companies, and screened at more than 75 academic forums and business conferences.

- **Names, Numbers, and Network Solutions: The Monetization of the Internet.** This book explores the history of the domain name system, and the acquisition in 1995 of a small telecommunications and computer network consulting business Network Solutions, Inc. (NSI) by SAIC. Written by Dr. J. Robert Beyster and Michael A. Daniels, the book offers a glimpse into the future challenges to be addressed through the eyes of those who navigated the uncharted waters of internet security, privacy, social networking, politics and policy—and much more—during the exponential growth of the World Wide Web during the 1990s.
- **The SAIC Solution: How We Built an \$8 Billion Employee-Owned Technology Company.** In this book, J. Robert Beyster details the history of SAIC—the company he founded with a handful of scientists in 1969—while revealing the principles and practices developed and used by SAIC to drive exponential growth, global expansion, and diversification across science and technology customers and markets. The second edition of the book examined recent issues faced by the company, including its 2006 IPO, the dismantling of its employee-ownership culture, significant decline in shareholder value, and its eventual division into two separate companies.

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*I created the Foundation for Enterprise Development to assist fellow entrepreneurs in learning about and developing broad-based employee ownership plans that would reward individual employees based on their contributions. At the time, it was a fairly radical concept—reward people based on their individual contribution, not just their position in the company. Employee ownership, to me, meant more than stock in a company, it meant working like, acting like, and being rewarded like an actual owner of the company...*



*Beyster Fellowship Symposium (2016)*

*Entrepreneurial employee ownership is not an entitlement program and it is not reserved for the executive management;*

*it is reserved for those employees who are truly making a difference, who want to succeed, and who are willing to do what it takes to move the company to the next level.<sup>26</sup>*

—J. Robert Beyster

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- <sup>1</sup> J. Robert Beyster with Peter Economy, *The SAIC Solution: Built by Employee Owners, 2nd edition*, FED Productions (2007 and 2014) p.89
- <sup>2</sup> <http://www.cesj.org/about-cesj-in-brief/history-accomplishments/pres-reagans-speech-on-project-economic-justice/>
- <sup>3</sup> *Conference on Employee Participation in Ownership and Management*, Foundation for Enterprise Development (October 6, 1987) p.12-13
- <sup>4</sup> *Conference on Employee Participation in Ownership and Management*, Foundation for Enterprise Development (October 6, 1987) p.30
- <sup>5</sup> J. Robert Beyster, "Founder's Message," FED 1992 Annual Report
- <sup>6</sup> <http://www.goodreads.com/quotes/13119-you-never-change-things-by-fighting-the-existing-reality-to>
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