

Ethical and profitable business through employee ownership: the story of Interface NRM

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Dr Gavin Jordan and Mike Greenland established Interface NRM Ltd in 2002, returning from volunteering in Africa and climbing unclimbed mountains in the Himalaya. Gavin had been helping the Government of Bhutan manage its forest resources, and Mike had been teaching community forestry in a College in South Africa as a Voluntary Services Overseas (VSO) volunteer. They set up the company in the West Midlands as an ethically driven business, with the aim to increase the sustainability of wood being used in the UK, and to improve the environmental, social, health and safety performance of forestry, construction, manufacturing, service and design companies. As with most businesses, they started off small, based in a science park in Wolverhampton, and slowly grew their network. Since then, the company has grown steadily, and now employs 15 staff and uses over 30 associate auditors. Interface has certified more than a million cubic metres of wood used in the UK as coming from a legal and sustainable source, and they have issued hundreds of ISO 14001 certificates to companies which have continuous improvement of their environmental goals built into their management systems. The company has been highly successful, growing more than 30% for each of the last three years.

There came a point where this growth was recognised, and several approaches to acquire Interface were made. After pursuing one of these opportunities, Mike and Gavin began to question whether this approach was right for them, their ethics, and the staff of Interface. They began to explore the potential of Employee Ownership, through transferring the vast majority of the shares of the company into an Employee Ownership Trust (EOT). As they explored the model, it became apparent that this was an exciting way of continuing to deliver their vision of sustainability and doing good through ethical business. The staff of Interface would be much more secure through this model, and would directly benefit from the profits.

Gavin and Mike were well-aware that selling their shares through an EOT would not be without risk. A sale through acquisition would have meant a guaranteed and upfront financial outcome for them. By taking the route of an EOT, Mike and Gavin will be paid for their shares over a five-year period. They have now parted with 80% of their shares with no cast-iron guarantees that the business will continue to prosper and be able to make the agreed repayments. Gavin says: "We were fully aware that selling our shares through an EOT was more of a personal risk than some sales options. But our main concerns are for the future security of our staff and the ethics of our business. We have full and entire trust in Interface and its staff, and are confident that the EOT will be a success for all". These risks are outweighed by the benefits of a fully engaged, motivated and driven staff team, who are personal beneficiaries of the company and its profits.

Deb Oxley OBE, Chief Executive of the EOA, said: "We congratulate Interface on its move to employee ownership – sustaining its values and independence for the longer term. Businesses that give employees a stake and a say build trust and shared responsibility, therefore uniting leaders and employees behind a common purpose. This leaves the business in a better position to flex and adapt – key qualities needed to help the UK Build Back Better."

Interface planned the transition to employee ownership through the dark days of Covid-19, lock-down and furlough. Gavin and Mike will be starting the new year on a high for the staff of Interface on the 6th January, when they will break the news that the EOT transition has been completed, and that Interface is now employee owned.

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