

VERMONT



Moose Creek Restoration

Moose Creek

A restoration company begins to rejuvenate itself

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It's late afternoon on a Wednesday and the members of Moose Creek Restoration Ltd. file through the heavy sliding door to the construction company's not-too-well-heated Lake Street warehouse/workshop for a bimonthly meeting.

Some have come from work sites miles away to sit or stand around the chairless room filled with lumber, work benches, power tools and the sweet smell of sawdust.

The employees of Moose Creek look like the children of the '80s, and most of them are. Ten of the 24 were at Woodstock. The average age is 28. A casual, rugged Levi look, beards and comb-ayou-go hairstyles are popular among the group. They are the carpenters, stonemasons, mill workers, designers, administrators and office workers in one of Vermont's fastest-growing construction companies.

The majority are college-educated and, by their own admission, several were formerly among the anti-establishment disaffected. But today, the employees of Moose Creek are embracing the establishment world of business with gusto and pursuing its rewards with enthusiasm, using an alternative approach: employee ownership and management.

Moose Creek's collective management process is revealed more telling-

ly in its board of directors and employee meetings. The eight-member board, elected by stockholding employees, meets twice a month as does the entire employee body.

The updated stock option plan, by which Moose Creekers literally own a piece of their company, was recently the major subject of an employee meeting. Using a power saw as a podium, Mark Neagley, Moose Creek clerk, read through the latest version of the plan page by page and then listened to questions and comments. The ensuing exchange demonstrated how Moose Creek has tried to keep the group process open and flexible. Individual Moose Creekers are encouraged to assert themselves and contribute to the "family." It is, after all, their company.

Although the idea of collective management is certainly not new, it is one which has confounded and annoyed banks and bonding companies in the business world and presented unique challenges to Moose Creek's men and women themselves.

"Bankers are afraid that with so many owners it is easy for the company to go out of control," says Davis-Jeffers. "They want the paper work; they want to know who's in control." This usually assumes a system of management and employees and "never the twain shall meet."

There is a gritty, yet cheerful, determination on the part of Moose Creek

owners to make it work, although the going has not always been easy. Eighteen months ago growing pains (the number of employees had jumped from eight to 14 in five months) and two clients who were not paying a total of \$30,000 in bills nearly spelled the end of the company. It was this crisis, according to Davis-Jeffers, Moose Creek's founder, that forced the company into a period of serious self-evaluation and resulted in today's unbounded optimism.

"The financial crisis, for me, was really a low point," admits Davis-Jeffers. "I wasn't doing my homework. I was out building a stone fireplace and an oak bar."

At this point Moose Creek began looking seriously at the problems of "goal analysis, job description, accountability." The company had grown too fast. It was

bidding on, and winning more ambitious contracts which, in turn, required more personnel, more paper work. Someone had to mind the office, even if it meant leaving the more down-to-earth enjoyment of working in the field. They realized maintaining a growth-oriented company as an employee-owned enterprise would take well-thought-out strategy. In the past several months, says Davis-Jeffers, "Moose Creek has done an incredible cleaning-up act."

Personally, he says, "I really enjoy business now. 'Businessman' used to be one of my dirty words. Now I find business a challenge, though I still like working with my hands."

Before college and during summers Davis-Jeffers had worked building development houses, hoping a college education would rescue him from what



Moose Creekers Sam Johnson (left) and Tom McCarthy work at the Winouski Block



Greg Davis-Jeffers (background) and Al Umar (front) work at Shelburne Farms



A "centering" exercise at the board of director's meeting. From left, Pete Close, Doug Williams, Greg Davis Jeffers, Mark Neagley, Eric Hanson, Bob Meijers, Bruce Andrews and Sam Johnson



Biweekly meeting at the shop where employees gather to discuss business problems and successes



Carpenter John Burke at the Round Church in Richmond

As Moose Creek grows, it looks to solar options

he saw as the life of a construction worker. Then, after graduating from St. Lawrence University in Canton, N.Y., where he began as pre-med and wound up an English major, he went to work for a construction firm near Rochester, N.Y.

In 1972, Davis-Jeffers, then 22, visited Bruce Andrews and Sam Johnson, friends from college who lived in Vermont, and decided to stay. The following year he started his own business, calling it Lewis Creek Rural Restoration after a creek near his home. Moose and Sam later joined him as partners along with a fourth who has since left the area.

By 1976 Davis-Jeffers had moved to Williston and changed the company's name to Moose Creek, randomly chosen to suggest the type of woody, rural spirit he wanted the company to represent. With four partners, Moose Creek took on its first project — rehabilitation of the Ice House in Burlington — and dropped rural from its name. It was also at this time the partners incorporated and wrote-in the

concept of employee ownership. That year's gross receipts were \$76,000. This past year has shown more than \$700,000 worth of business, with more than \$2 million projected for next year.

Clearly, Moose Creek is leaving its small contractor status behind. When it took out forms to bid on the Church Street Marketplace alongside Pizzagalli Construction, Moose Creek "sort of got accused of nipping at their ankles," recalls a smiling Davis-Jeffers.

The company's list of credits includes rehabilitation of Frog Hollow Stone Mill in Middlebury, the Genest Building in Winooski, restoration of six of Vermont's covered bridges, exterior restoration of the New Haven railroad station, the Winooski Block (in progress) and the Round Church in Richmond (in progress). The list also includes new construction of residences and commercial buildings. In fact, Moose Creek Restoration has not only opened itself up to new construction, but is following the modern business

dictum of diversification.

Under the name of Icarus, Moose Creek is now builder of solar installations. There are plans to market a preservation epoxy. The company recently sent Mark Neagley, at his request, to explore the possibility of Moose Creek's involvement in quality, factory-built homes. And a recently purchased 10,000-rpm molding maker will allow the workshop to produce a wide range of custom millwork not only for itself but for other companies as well.

In charge of Moose Creek research and development, Davis-Jeffers says the company plans to "expand into areas of real growth," believing it is "more sensible than trying to expand into a multimillion-dollar construction company."

So how did all of this come about when only a year and a half ago a crisis posed a serious threat to the company's existence?

Research in business management and management counseling from friends in business and workshops such as Marshall Thurber's "Money and You" provided information and focus to help formulate a Statement of Intent, a List of Agreements, a set of goals for each of the next five years to be reviewed yearly, and a system of accountability built into each job description.

The Statement of Intent has "nothing to do with construction or business, but why we are all here," explains Davis-Jeffers. "Once you have the intent identified then you have the basis for people to work together toward common goals."

The sentence which collects the employees of Moose Creek in a common bond is brief: "We are here to reach fulfillment of love and home through awareness, self-esteem, honesty, friendship and health."

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Designer and estimator Sandy Post



Mark Pedley, left, and shop foreman Jim Young operate custom molding maker

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After the Intent, what appears to be a key to the ideal of cooperative business management and creating good client relationships, is each member's commitment to work by the Moose Creek Agreements. Acceptance of them is part of each job description. The agreements emphasize a familylike identification with the company, "optimistic participation," speaking "with good intent," clear communication, listening, honesty and clarity. Grumbling in the field has virtually been eliminated, according to Davis-Jeffers, on the basis of Agreement 7: "If a problem arises, communicate at the first appropriate opportunity to the person who can do something about it."

Goals for the company, hashed out this last summer, are as down-to-earth as the Intent is ethereal. They provide a focus and they predict growth of income and personnel on an annual basis and specify areas of growth and expansion. The move has been "away from crisis orientation which wastes energy," says Sam Johnson, field supervisor and company vice president. Growth is now a controlled process.

One facet of Moose Creek intricately connected with growth is the system of stock distribution. The revamped stock option has been designed to preserve the company's employee-owned basis, protect stock value, provide incentive for efficient work and "stimulate creative participation in company ownership and management" using extra stock-buying options as a reward.

Employees must work at Moose Creek for one year before they may participate in the stock purchase option. At first it was three months, then six, but eventually both periods proved too short to test the commitment of potential stockholders. The system was further refined as a hedge against those who would join the company and leave after a year and a half demanding full cash value for their stock, thereby endangering Moose Creek's financial base.

Stock is now issued as warrants which mature gradually over a 10-year period. Fifty percent of the warrants in any given year can be purchased for a minimal amount by all stockholders on an equal basis; the remaining 50 percent are available on a merit basis, with evaluation made by fellow stockholders. Twenty-one out of 24 employees are

stock shareholders.

The lone fact that Moose Creek is employee-owned makes it stand out among businesses in Vermont. But another remarkable dimension is Moose Creek's holistic approach to corporate health.

Moose Creekers agree that not only does a healthy company benefit the employees, but healthy, happy employees will strengthen the company. For example:

- Moose Creek pays for individual participation in education programs (such as the workshops on money and pre-fab housing).

- Moose Creek employees recently spent one of their meeting sessions at Networks in Burlington learning on-the-job relaxation exercises designed for workers. Again, company-sponsored.

- A group meditation is practiced at the start and end of each board meeting to allow members to "center" themselves.

"We've really learned to lean on each other and draw support," says Neagley. "It gives you just that much more self-confidence to bite in and do something." Making the request for company funding to explore alternative housing, for his personal use as well as for the company, was an anxiety-filled experience because it "was a radical switch from restoration to prefabricated houses." Nevertheless, he felt confident enough to make a clear statement of his case and ended by winning warm support from the other board members.

The use of "affirmations," a technique borrowed from psychology and metaphysics, has been adapted by several Moose Creekers and apparently put to good use. Affirmations are positive statements of personal significance designed to give the individual power over his life. "I have an infinite amount of time and energy" was one affirmation shared by Neagley at the close of a recent board meeting and repeated by the group while standing around the table.

Goals for the company are as down-to-earth as the Intent is ethereal

Undeniably, this is not your conventional board room scene, but equally true is the sense of genuine solidarity felt among the board and evidently, among the entire Moose Creek community.

"Without a sense of working together, believing in Moose Creek and a sense of family, it wouldn't work," says Jim Young, shop manager and three-year Moose Creek employee. They feel that work, productivity and company integrity are directly related to their "all for one and one for all" philosophy.

Moose Creek wants to be "comfortable doing business without being tense and competitive," says Bruce Andrews, "where we can win without someone having to lose."

Young, who holds a degree in industrial arts, left New York where he worked as a carpenter and "everybody wanted jobs done for the least money and least amount of work." A major reward of working with Moose Creek, he feels, is being able to spend the time "to see it done right."

"That's how we got where we are now, by doing the quality," says Peter Close, project supervisor, board member, and a sociology graduate of St. Lawrence. "We haven't done anything we are ashamed of."

"We have been able to rely on our track record to get jobs in which we were not the low bidder," points out Davis-Jeffers.

The company now includes a one-year guarantee on its jobs with an inspection included at the year's end, a practice that should further serve to strengthen agreements between Moose Creek and its clients.

Neagley recalls one particular job where the client was dissatisfied, and after a year and a half the issue still is not resolved. He blames the problem on bad communication, something that is not likely to happen today, Neagley says. Now "people know what they're going to get before we get there."

There is a disarming openness about

these owners of Moose Creek, a sincerity and a determination that defy cynicism. All are aware of what each makes and who gets what raises. Salaries are arrived at through a combination of group evaluation, funds available and a percentage fed into the computer. The discrepancy between the highest- and lowest-paid worker is kept to a "bare minimum," says Davis-Jeffers, to avoid creating a "them-and-us" mentality. That's why "management wages are so low relative to the outside world and field wages are high compared to the outside world."

Although there is "some real group pressure if you're not pulling your weight," according to Davis-Jeffers, there seems to be the conviction of unlimited possibilities for individual as well as company growth.

Sandy Post, Moose Creek's designer and estimator has a design degree from the University of Vermont and has been with the company since last May. "I don't know why they had enough faith in me to think I could do it," she says, obviously glad they did. Like other Moose Creek employees she is keen on the potential for professional growth. Through the estimating experience she plans to learn about projects that are "practical to build and practical to design. I don't want to be only an estimator; I want to be an intelligent designer."

At the employee meeting an hour and a half later there is fidgeting and shifting from uncomfortable poses struck in the cool of the workshop. The promise of pizza and beer following the meeting is undoubtedly on many minds as a discussion of the stock option plan comes to a close. Worked, reworked and finalized, the plan represents concerted effort on the part of employees to understand complex financial matters as well as a major document that Moose Creek hopes will allay doubts held by the banking establishment.

Moose Creek idealism is high right now in the wake of its newfound clarity. On the one hand there is a cocky self-assurance here; on the other, a sobering sense of "deep concern" undoubtedly inspired by recent memory of near ruin. When talking with the owners of Moose Creek it is hard to resist the positive force of their enthusiasm. You tend to believe Young when he says, "There's more desire (for success) in this group than I've ever seen."