



FOR IMMEDIATE RELEASE

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Contacts:

Rob Brown, Director, Business Ownership Solutions, Cooperative Development Institute (CDI)
(207) 233-2987 or rbrown@cdi.coop

Alex Pond, Worker-owner, Ward Lumber
(518) 483-8888 ext. 430 or receiver6@wardlumber.com

Audrey Schwartzberg, Communications Associate, Adirondack North Country Association (ANCA)
(518) 891-6200 or aschwartzberg@adirondack.org

Ward Lumber Transitions Ownership to Employees

Worker-owned cooperative is first of its kind in the region

Jay, N.Y and Malone, N.Y. — The employees of Ward Lumber have made history by purchasing the 130-year-old business as a worker-owned cooperative. The transaction marks the first employee ownership transition of its kind in the North Country region of New York State.

The lumber products and hardware store, which has locations in Jay and Malone, N.Y. and employs over 50 local people, has been in Jay Ward's family for four generations. Ward, who will continue his leadership role as the company's chief executive officer, completed a contract with his employee team that makes Ward Lumber the largest worker-owned cooperative in the region.

"Every business is going to go through a transition, whether that is by design or default," said Ward. "Rather than choose liquidation or selling to some other business that would change the culture, I wanted to look at employee ownership.

"Employee ownership vests the control of the company in the hands of the people that work it every day, who live in the communities that we serve, and have that vested interest in ownership," Ward said. "I really wanted to empower the employee team to make decisions on their behalf and for their benefit."

Ward Lumber has been a business pillar in the community since 1890, providing local jobs, supporting the region's farm and construction industries, and having direct and indirect economic impacts on area businesses and communities.

Ward Pine Mill, the manufacturing division of the Ward Lumber family enterprise, is operated by Jay's brother Jeff Ward. Ward Pine Mill became an independent business in 2017 and is not included in the employee ownership transaction.

"The main thing that's changing is I'll be reporting to a board of directors of our employee team," Ward said, noting they have been working on the transition process for over three years. Ward will remain heavily involved operating the business for the foreseeable future.

Alex Pond, a board member who has been employed with the company for over six years, said, "This co-op is more than a change in ownership. It's an opportunity to shape a future for Ward Lumber that is best for the business, our staff and the community. It's an amazing way for people like me to help carry Ward Lumber into the next generation."

Ward Lumber's journey to employee ownership began in May 2018, when Jay met with U.S. Senator Kirsten Gillibrand (D-NY) at an event hosted by the Adirondack North Country Association (ANCA) at its Saranac Lake offices. The Senator met with local business owners and economic development leaders to promote the Main Street Employee Ownership Act, which proved to be instrumental in Ward Lumber's ownership transition. The federal legislation, designed to improve access to capital and supply technical assistance to businesses interested in employee ownership, was championed by Gillibrand and passed with bipartisan support in 2018.

"Ward Lumber's successful transition is a great example of how we envisioned the Main Street Employee Ownership Act would work for businesses across the nation," Gillibrand said. "Cooperative ownership models improve business productivity, increase wages and boost employee retirement savings. All this while creating greater stability and resilience for businesses, workers and local communities. I applaud Jay Ward and the Ward Lumber team for securing their future through employee ownership, and ANCA for their good work supporting innovative economic development."

"It has been an honor to support Ward Lumber along their path to worker ownership," said ANCA Executive Director Kate Fish. "We believe that a diversity of business ownership models strengthens our regional economy and expands opportunities for aspiring entrepreneurs — particularly as we face tens of thousands of business closures across the region due to retirement. We applaud the Ward team for their forward thinking and hard work making this transition happen."

Ward and his staff have worked closely with Rob Brown, Director of Business Ownership Solutions at the Cooperative Development Institute (CDI), to provide intensive support and training on the business transition process. Brown helped guide the team through the worker ownership transition — from initial inquiry to financial and business analysis to legal structuring and financing of the buyout.

"It's been amazing to watch these workers develop the leadership and business skills needed to take over," Brown said. "By solidifying the local ownership of the business and jobs, these workers can now chart their own future and the future of the enterprise and build wealth through ownership."

Ward's flexible succession plan and successful buyout were also supported through training, business plan development and grant writing assistance provided by the SUNY Canton Small Business Development Center (SBDC) at Clinton Community College (CCC), financing from Cooperative Fund of New England (CFNE) and Capital Impact Partners, and a \$250,000 grant from Empire State Development (ESD) awarded through New York State's Regional Economic Development Council initiative.

"The Ward Lumber team certainly should be looked at as leaders in the employee-ownership movement, to not just maintain local jobs and keep small businesses in operation, but to preserve legacies and livable wages for resident retainment in the North Country," said Angela Smith, Assistant Director of SUNY Canton SBDC at CCC. "They will always be seen as innovators here."

Empire State Development Acting Commissioner, and President and CEO-designate Eric Gertler said, "Recognizing the company's importance to the community as an employer and economic driver, the North Country Regional Economic Development Council recommended this project for an ESD grant. Through the state's locally-driven, bottom-up approach to economic development, we continue to support small businesses and encourage job creation projects that are vital to the sustainability of communities throughout New York."

Ward Lumber's transition to worker ownership comes at a time when local businesses face significant challenges, exacerbated by the COVID-19 crisis. In New York State alone, even before the pandemic, an estimated 3,700 businesses closed each year due to owner retirement, leading to a loss of 13,260 jobs annually. Surveys indicate 79% of business owners want to retire in the next ten years, 57% in less than five years, and 33% in less than three years. Fewer than one in five owners have a credible succession plan, and most do not understand business transition options or processes.

As New York's North Country contends with these odds, its rural communities face widespread business closures and job losses that would have detrimental impacts on the regional economy. Employee ownership models such as worker cooperatives offer a viable solution that can help sustain businesses and jobs. Worker-owned businesses tend to maintain above average retention rates of talent, weather economic stressors better than traditional business models and keep wealth in local communities.

"Conversions to employee ownership are a unique opportunity to support working people in building wealth and sustaining high-quality jobs," said Dorian Gregory, CFNE Deputy Executive Director. "Knowing that CFNE financing is securing more than 40 jobs and creating shared ownership of a thriving business in our region, makes all of us at CFNE proud and excited for the future."

"The opportunity to work with Ward Lumber and CFNE has been particularly rewarding as the process highlights the importance of strong relationships," said Alison Powers, Manager of Cooperative and Community Initiatives at Capital Impact Partners. "We believe that conversions to employee ownership have the potential to preserve jobs and build wealth at a time of economic uncertainty and small business closure."

This and other business transitions across the region have been supported by the North Country Center for Businesses in Transition (CBIT), a program that was spearheaded by the ANCA in 2018. CBIT has representation from 12 economic development organizations in northern New York whose partnership connects businesses with resources and experts focused on cooperative ownership and other succession strategies.

"It has been such a pleasure to work with Ward Lumber and all the partners who have supported their transition," said ANCA Business Transition Program Coordinator Danielle Delaini. "All of us at ANCA and CBIT are inspired by their commitment to the future of this business, its employees and the local community. We hope more local businesses are empowered to pursue ownership arrangements that help them prosper and remain in our communities for years to come."

A ribbon cutting ceremony will take place at both Jay and Malone store locations and virtually via Facebook Live at a date and time to be determined in June 2021.

Business owners interested in transitioning their companies to a worker ownership model are invited to contact the Center for Businesses in Transition at transitions@adirondack.org, the Cooperative Development Institute at rbrown@cdi.coop or SUNY Canton SBDC at smithangela@canton.edu.

Attached: one (1) PDF document, three (3) photos and one (1) [video link](#).

Photo 1: Ward Lumber staff at the Jay, N.Y. store

Photo 2: Ward Lumber staff at the Malone, N.Y. store

Photo 3: Ward Lumber's board of directors from the Malone location, from left to right: Derrick Manson, Alex Pond, Jay Ward (CEO), Linda White and David Bruso. Additional board members include Scott Christian from the Jay location and Debby Straight and Kevin Kennedy from the Support Center.

The video narrative can also be viewed at bit.ly/WardLumberCo-op.



[ANCA](#) is an independent nonprofit organization growing the New Economy in northern New York. Using an integrated approach to sustainable economic development and prosperity where economic health, community vitality and ecological stewardship are equally important outcomes, ANCA focuses on creating opportunity for people with diverse backgrounds, experience and education levels.



[Capital Impact Partners](#) is a nonprofit Community Development Financial Institution that brings together mission-driven financing, social innovation programs, capacity building, and impact investing to build communities of opportunity that break barriers to success.



The [Cooperative Development Institute](#) (CDI) is the Northeast's Center for cooperative business education, training, and technical assistance. CDI is an independent Center, a 501(c)3 founded in 1994 by cooperative leaders across industry sectors to work with people in the Northeast to create cooperative businesses and networks that grow a prosperous, equitable rural economy with healthy, robust, sustainable rural communities. While our focus is rural and regional, we contribute to innovative economic and community development strategies on national and global levels.



The [Cooperative Fund of New England](#) is a community development loan fund that has been facilitating socially responsible investing in cooperatives and worker-owned businesses in New England and adjacent communities in New York since 1975.



The [Empire State Development](#) (ESD) is New York's chief economic development agency. The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies.



The [North Country Center for Businesses in Transition](#) (CBIT) addresses the loss of area businesses by providing matchmaking services with potential buyers, access to planning tools and connection with existing services. The Center's 2021 efforts have expanded to also support aspiring entrepreneurs who wish to purchase an existing business in the region. CBIT partners include [Adirondack Economic Development Corporation](#) (AEDC), [Adirondack North Country Association](#) (ANCA), [Adirondack Park Agency Economic Services](#), [Essex County Industrial Development Agency](#), [Franklin County Economic Development](#), [Hamilton County Economic Development](#), [Lewis County Economic Development](#), [St. Lawrence County Chamber of Commerce](#), [Saranac Lake Area Chamber of Commerce](#), [SUNY Canton SBDC at Clinton Community College](#), [Ticonderoga Area Chamber of Commerce](#), and [Greater Watertown-North Country Chamber of Commerce](#).

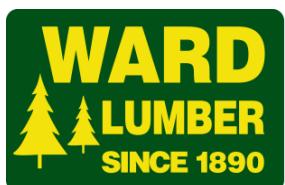


The [New York Small Business Development Center](#), administered by SUNY, has 22 regional service centers located throughout the New York State on SUNY, City University of New York (CUNY) and private university campuses. The SBDC is funded in part by the U.S. Small Business Administration, the State of New York, local communities, and host campuses. As a result of

this leveraged support, the SBDC staff provides confidential one-on-one business advisement services at no direct cost to the citizens and entrepreneurs of New York.



The [SUNY Canton Small Business Development Center \(SBDC\) at Clinton Community College](#) is part of a statewide network of business assistance centers supported by the State University of New York and the Small Business Administration. The New York State SBDC (NY SBDC) is accredited by America's Small Business Development Centers (ASBDC). The SBDC is charged with assisting North Country entrepreneurs, small business, and industry through advising, training, and research. Additionally, the SBDC provides needed services to manufacturers, women, veterans, minority, and physically challenged individuals, or on businesses impacting distressed and targeted areas. Counseling services are free and confidential.



[Ward Lumber](#) is a building materials, paint and hardware supplier with stores in Jay and Malone, NY. Founded in 1890, Ward Lumber is a fourth generation owned and managed business. Ward is an owner member of the LBM Advantage buying cooperative. LBM Advantage has owner members with 1,200 locations in 42 states with \$2.6 billion in annual purchases providing Ward Lumber with national buying power.

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