

Magenta Associates becomes employee owned

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Magenta Associates, the communications specialist for progressive organisations, is now owned by its employees.

The company has set up an Employee Ownership Trust which owns the majority of the business. The trust will be led by five trustees to ensure the management team is running the business in the best interests of the employees. These trustees are:

- Neil Backwith, former MD of Porter Novelli and Magenta's non-executive director for the past six years – an independent trustee and chair of the board
- Greg Bortkiewicz – Magenta's senior account manager (employee rep)
- Cathy Hayward – Magenta's founder
- Sabrina Stubbs – Magenta's account director (employee rep)
- Jo Sutherland – Magenta's managing director

Magenta was set up in 2011 by Cathy Hayward, the former editor of *FM World* (now *Facilitate*) and FMJ magazine who spotted a gap in the market for a PR agency specialising specifically in facilities management. Fast forward to 2024, and the company now supports progressive organisations primarily operating in facilities and workplace management, commercial interiors, construction, property management systems and technology, energy management, architecture & design, health & safety, corporate real estate, and other sub-sectors within the built environment. We also work across complementary sectors including hospitality, education, catering, HR, health & wellness, technology, manufacturing, environmental, and EPSS.

Magenta's work was recognised this year by PR Week as it placed 40th in the B2B list of its Top 150 PR agencies.

‘With capital wealth in the UK becoming increasingly concentrated in fewer hands, EOTs are a way to spread wealth more widely. We think it’s the right thing to do for Magenta and the M People,’ said founder and chairman Cathy Hayward.

‘We want to secure Magenta’s long-term future,’ added MD Jo Sutherland. ‘A conventional option would be to go out to sale and sell to the highest bidder. But this risks changing the culture we’ve created together. No one knows Magenta better than the people already in it.’

Research shows that:

- Employees in employee-owned companies enjoy higher engagement, motivation and wellbeing
- Employee-owned companies typically achieve greater levels of productivity and efficiency than conventionally-owned companies; and they have stronger workforce retention and find it easier to recruit
- Employees at all levels are more likely to initiate or engage constructively with innovation
- They approach decision-making and planning based on long-term stewardship of value, which supports resilience (data shows that employee-owned businesses are more sustainable during economic downturns).
- They also tend to be very profitable. Over the last 15 years, shares in employee owned businesses have considerably outperformed those in the FTSE All-Share Index.

‘Becoming employee owned will mean our people are even more motivated to deliver exceptional service to our clients,’ concluded Sutherland.

Employee Ownership Trusts were introduced by the government in 2014. There were around 1,400 EOTs in the UK at the end of 2023, a 40 per cent increase on 2022. This means that the employee ownership sector is now the fastest growing SME business ownership model with, on average, one company becoming employee-owned every day. Around nine out of ten companies that have adopted EOTs say they would recommend them to others.