

## Fast Growth Through Engagement

# Namaste Solar

**The Story |** Namaste Solar, a Boulder, Colorado-based solar integrator, has racked up recognition for its sustainability efforts and sector innovation from local business journals, the national press, even President Obama. The five-year-old company has grown fast, earning more than \$15 million in revenue in 2009 and growing from three employees to 70.

Co-Owner and Chief Financial Officer Stephen Irvin credits the company's flat management and broad based equity sharing as key to the firm's rapid rise. "Our ability to handle breakneck growth is helped by our shared ownership structure – everyone is thinking and engaged each day in running the business with an eye on our collective mission and values," he said.

**Engagement Strategies |** Irvin notes that the hiring process is a long one at Namaste, where care is taken to hire a long-term partner in the business. "We hire the person and their values, not just the job role," he says.

The company practices open book management and uses consensus based decision making. Company financials are reviewed in a monthly staff meeting and at the end of the year, and all employees are taught to read a balance sheet and income statement. All employees were paid the same in the early years; today, no one can make more than twice the lowest paid employee. Compensation is determined by a committee, whose work includes peer-to-peer interviews across the company's divisions and salaries are known by all co-owners.

Clear communication is a core value at the firm – so much so that Namaste has trademarked FOH™ – frank, open, and honest communication. This approach prevents gossip and results in any issues being resolved quickly and respectfully, fostering an atmosphere of trust and respect, according to Irvin.

In addition to its internal engagement strategies, community service is important to Namaste. The company sets aside 1% of revenue for donations to install solar at nonprofits, and employees set aside time to participate in educational programs targeted at a variety of audiences, from consumers to professionals, about solar energy. Drawing on the definition of the Sanskrit word Namaste, the company strives to be a model of harmony between all stakeholders. Its stated values are “care of the earth, care of our customers, care of the community, care of the company, and care of ourselves.”

**Shared Ownership |** Namaste is somewhat unusual in its broad based equity sharing practices – encouraging all full time, salaried employees to buy restricted stock immediately upon hire, as opposed to the more common practice granting employees stock options (the ability to buy stock in the future at a price set today). Employees become fully vested in five years. There are no majority stock holders and over 90% of employees hold stock. Ownership also helps with employee retention, as employees are keen to watch the stock price of the company increase.

**Business Results |** Namaste’s culture of engaged employee owners is a key competitive advantage, according to Irvin. Employees think and act like owners, whether installing panels on the roof of a home or managing administrative functions. Satisfied customers



## AT A GLANCE NAMASTE SOLAR

### **Business:**

Residential and commercial solar installation

### **Locations:**

Boulder, CO

### **Employees:**

70

### **Revenues:**

More than \$15M in 2009

### **Ownership:**

Employees purchase restricted stock with full voting rights

### **Engagement:**

- high involvement hiring
- clear communication of core values
- open book management
- democratic decision making
- culture of respect and trust
- community involvement

### **Business results:**

- low employee turnover
- superior customer service and satisfaction

naturally respond to this by making referrals. Over half of the company's sales come by word of mouth and the firm routinely racks up strong customer survey responses. The company also excels in employee attraction and retention – only three employees have left in five years.

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LESSONS LEARNED:

- **High involvement hiring, shared ownership, clear communication, and a culture of respect are key to managing fast growth**
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