Paragus IT provides outsourced IT services to small and medium businesses in the Pioneer Valley. These services include help desk services, IT project services, security and compliance, and IT strategy. The company employs 50 full time people and switched to employee ownership in 2016.

Paragus IT was started by Delcie Bean in 2003. In 2016, the company was converted from a conventional business to a form of employee ownership called an ESOP. An ESOP is in many ways similar to a retirement plan. The company sets up a trust that purchases some or all of its shares and holds them in an account to pay out when an employee leaves the company. In the case of Paragus, Bean sold 40% of his shares to the company to be allocated to his employees. He did this for two reasons. First, given that the company's culture was already highly collaborative and employee-driven, Bean thought it was a fair and equitable way to reward everyone's commitment. Second, Bean expected that being employee owned would help the company with its strategic growth in three key areas: employee retention, employee engagement and employee recruitment.

Since becoming an ESOP the company has made a number of changes, both big and small. A subtle but important change has been to start calling employees 'partners' to reflect their collective ownership in the company. Some more significant changes include allowing employees to elect a member of the staff to the Board of Directors and having monthly Owner's Meetings to help staff understand and give input on some of the bigger picture decisions being made. Every single week, the CEO sends out a video called the 'Weekly Address' that describes everything important going on in the business, what the week ahead is going to look like, and any other important information that helps employees become engaged beyond their individual role within the company.

Employees experience the most significant benefit of being part of an ESOP when they retire or transition out of the company. But this restructuring also seems to affect how people interact day to day at Paragus.

"**Switching to employee ownership has furthered Paragus' collaborative culture. Staff go above and beyond to help others and accomplish tasks effectively, and having an ownership stake also seems to have a positive effect on overall job satisfaction.**

Being employee owned, the company has also taken a different approach towards benefits and perks which may not have happened otherwise. For example, Paragus is launching an unlimited Paid Time Off Program. Employees understand that they have a stake in the business and are trusted with managing how much time they take off.

As founder Delcie Bean had hoped, becoming an ESOP has also helped the company with employee recruitment. The employee pool for this field is relatively limited in the Pioneer Valley and there is a lot of competition for good candidates. The fact that Paragus is able to offer employee ownership as a benefit significantly differentiates the company from its competition and often becomes the first choice of candidates looking for jobs in this sector. Some people have even left other jobs they like to work at Paragus if there is an opportunity to do so.

Finally, employee ownership has furthered Paragus' deep commitment to the communities that the company serves. The employees created a committee which oversees all of the company's philanthropy. Approximately 7% of Paragus' annual profit is set aside for donations each year. The company has recently decided to support organizations that help animals in Pioneer Valley and has hosted many creative employee-led events around this cause.

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