

## Title:

Private Companies Weigh Employee Stock Options

## Word Count:

265

## Summary:

This is a great opportunity to show your employees the value they bring to your company. Just imagine if employees could actually see quantifiable gains and losses in the value of the company through their efforts.

## Keywords:

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## Article Body:

Q: I understand that Entrex has brought public market standards and disciplines to the private market. What does this mean for my employees and the possibility of stock ownership or options?

- Al Davenport, business owner, Pompano Beach, Fla.

A: This is a great opportunity to show your employees the value they bring to your company. Just imagine if employees could actually see quantifiable gains and losses in the value of the company through their efforts.

Public companies have the advantage of being able to option employees with shares that have quantifiable value. Now, by following the standards for public company disclosures and reporting, private companies and their shareholders can measure performance against established benchmarks.

As a company owner, you have the choice of providing limited distribution of company data or offering wide access to the community of alternative investors. In either case, by participating in the private company market, you provide employees the means of having a tangible quarterly valuation of their stock and ultimately, the possibility of liquidating their shares.

You didn't mention whether you have an actual employee stock ownership plan program, or if you have limited distribution of stock to key employees. While ESOPs may provide liquidity for the founding shareholder, new owner/employees have generally fewer liquidity options, because they have limited exposure to the financial community.

The private equity market provides a vehicle for companies to gain exposure, allowing their stock to trade freely among alternative investors. By simply following industry-accepted valuation principles, owners, optioned employees and external investors can acquire shares, track share value and know their liquidity options.