

HILDEBRANDT'S

Jack Davidson - Employee-Owner of Retirement Age

Growing up on Long Island in the 50's, my parents would take their five children to Hildebrandt's to buy ice cream.



Not often, but enough to cement a relationship that would never leave...I was introduced to the best ice cream on the planet. Recently, a colleague suggested a movie with the storyline set and filmed in 2017. So I decided to watch the trailer as a prerequisite to perhaps entertainment. Then my world started spinning...the trailer included Hildebrandt's. Nothing had changed. How could this be?

Thanks to the internet, both a curse and a blessing, I immediately travelled to East Williston, New York, on my computer and once again fell in love with Hildebrandt's. Nothing had changed, except the ownership, which was committed to staying the same....and I encountered a revelation. Hildebrandt's had discovered how to stay in a business that started in the late 1920s and now, 90 years later, the business model has not changed. They discovered "The more some things change, the more they stay the same".

Here are extracts from their web page:

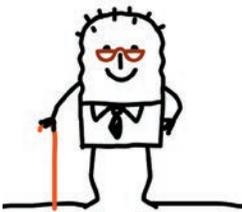
"A little about what you can expect if you're visiting us for the first time: Fresh food, made to order, with as much personal service as we can muster on any particular day. We're not fine dining. But we are really good dining. And we have to hope that most of the people who find us for the first time will be looking for just that. And be happy they found us."

"We've recently had a huge, bright, public light trained on our little, family business. And while it's exciting and we're confident that we will navigate the attention with as much grace as possible, we've been thinking a bit about the other side of the coin. Hmmmm. Not every person who walks in the door is going to fall in love. (Ooooo, yeah, well, we knew that, I guess). We're going to get some bad reviews, most likely, not just lukewarm. (Who said that? What's his damage?) Some people will judge us by standards that don't really apply to a 14 table ice cream parlor/ luncheonette /confectionery. (It was too noisy? Really?) And, some people just won't like us."



"While most of this will be wonderful and fun, (for all of us, we hope), we imagine there will be some stumbles. Regardless, as usual, we promise to do our best and we truly hope you like what we have to offer."

The Trust Company of Vermont is about to turn 20 years old, but our business model was one that the founders embraced when they started working in Vermont in the early 70's. A very simple model not unlike Hildebrandt's: simply maintain long term relationships, not unlike maintaining the best ice cream on the planet. *"The more things change, the more they stay the same."*



We are in transition. We are older and we encourage older members to work part time, rather than retire, and we want to maintain this business model in perpetuity.

Currently, approximately 15% of the staff is age 70 or older and the rate will increase significantly in the next few years. After age 62, employees may start the process of reducing their workload. Approximately one-third of our staff now work part-time.

So, we may have some stumbles that we need to address. One by-product of our model is the concept of working on-site forty hours a week.



In family-owned businesses, often the owners may work many more than 40 hours a week. But the employees may still encounter and embrace

the 40 hour week. It is an old-fashioned model that employees should work on-site and be visible. All of the founders had been employees and then overnight, when the founders formed the trust company, we became the owners. We now need to abandon both the forty-hour rule and the rule that the boss must work from dawn to dusk.

ANGELA BOWMAN - EMPLOYEE-OWNER

MANY YEARS FROM RETIREMENT:



"Working hard and putting in the effort is as important as the time we spend at our desks. If we can get our work done in 20 hours, we should

be asking "What more can I do?" "What else can I learn?" If we are working 60-70 hours a week, we should be looking to find ways to reduce work load so we do not get burned out. This could be by finding efficiencies in how we work or hiring additional staff"

CHRIS CASSIDY - EMPLOYEE OWNER

MANY YEARS FROM RETIREMENT:



"Nationwide, people are working later into their lives. For example, in the 1980s about 25% of men age 65-69 were working. Today that

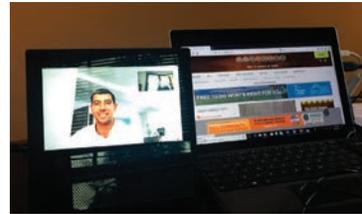
number is almost 40%. These trends are partially due to the fact that people, on average, are living longer. The average female life expectancy in the 1980s was 78 years. Today the average female life expectancy is 81 years of age. At Trust Company of Vermont, some of our most knowledgeable employees are 70+ years of age. They enjoy their work, but also want to spend more time with their families and check items off of their bucket list. We have found it a beneficial arrangement to both our company and our clients to keep these highly knowledgeable individuals employed on a part-time basis."

JACK DAVIDSON - EMPLOYEE-OWNER
OF RETIREMENT AGE:

ANGELA: *“The system we have built allows for tiered retirement and for those that have built the company to stay on as long as they’d like. It may be in a different or reduced role, but in the end, it is their dedication, knowledge and relationships that I count on. It isn’t how many accounts they still manage or bring in, it goes back to the core of TCV which is building trust and bringing a steadfast dedication to those we work for, both clients and employees within.”*

CHRIS: *“A challenge for all companies is hiring and retaining talented employees. As Trust Company of Vermont hires new employees to make up the next generation of employee-owners, we need to be cognizant of millennial values and preferences. Millennials are now 30% of the nation’s workforce and flexibility is an important part of their criteria when choosing employment. According to recent studies, one third of millennials have quit a job due to lack of flexibility. Nationwide, more employees are working remotely (not just millennials). According to Gallup, 43% of all surveyed employees work remotely at least some of the time. We recently hired former Trust Company of Vermont Intern, and Essex Junction native, Ben Ferris. Ben appreciates the ability to work remotely some, if not most of the time, and we value his skill and experience in investment analysis.”*

I have been a proponent of working off-site for many years and I have embraced technology as a critical component of a company dominated by healthy business owners who are able to balance a family life and an effective work environment. But don’t be fooled by the technology that now exists here and



elsewhere. The goal is not the iPads and iPhones and the large screens and internet-based phone systems.

My personal goal is to be part of the creation of a company where each succeeding generation has the same experience. When you go into Hildebrandt’s you will see iPads and iPhones, but it is the best ice cream that unites us all. Sorry, Ben and Jerry.

I have also been a proponent that no one should retire unless they want to retire. Now that I am in the retirement years, I have to endure levels of age discrimination. I can still put in window air conditioners without the help of others. That said, I can lose names and keys and phones, but to those who consciously or subconsciously aid this type of discrimination, I simply say “I AM GOOD ENOUGH!”

In 1980, at age 57, Dr. John Goodenough co-invented



the lithium-ion battery. In 2017, at the age 94, he has co-invented a low-cost all solid-state battery that may revolutionize the industry. Goodenough credited

old age with bringing him a new kind of intellectual freedom. At 94, he said, “You no longer worry about keeping your job.” As an employee-owned company, we don’t fear losing our jobs orso we hope.