the Great Game of Business

All-Stars

2026 WINNER

PADDOCK POOL EQUIPMENT COMPANY

HIGHER LAW #7: WHEN YOU RAISE THE BOTTOM, THE TOP RISES

WHY PADDOCK POOL EQUIPMENT EARNED THE GREAT GAME OF BUSINESS STAKE IN THE OUTCOME ALL-STAR AWARD

Employee ownership isn't created by handing out stock. It's created the moment that someone begins thinking differently about the business. For many organizations, that moment never comes. Employees may own shares on paper, but they never truly feel (and think) like owners. Paddock Pool Equipment set out to change that.

Based in Rock Hill, South Carolina, Paddock Pool Equipment is a leading manufacturer of commercial swimming pool equipment. Its innovations in filtration, stainless-steel gutter systems, movable bulkheads, and indoor air quality have helped shape the modern aquatics industry for more than a century. Founded in the 1920s as a swimming pool builder, the company now serves commercial aquatic facilities worldwide and continues to manufacture its products in the United States.

Since December 2023, the South Carolina manufacturer has embraced The Great Game of Business with the help of their coach, Dave Scholten, and has worked to connect every employee—from the shop floor to the leadership team—with a simple idea: If we win, we all win. As Scholten, who they call "Coach Dave," taught them:

> **"WHEN YOU GROW, YOU SHARE, AND WHEN YOU SHARE, YOU GROW."**
>
> — **DAVE SCHOLTEN,**
> GGOB COACH

The result has been a transformation in how people think, make decisions, and see themselves within the business. By unlocking the full potential of their employee-owners, the company has created a significant competitive advantage. That's why Paddock Pool Equipment is receiving this year's Stake in the Outcome All-Star Award.

STAKE IN THE OUTCOME LESSON #1

OWNERSHIP BEGINS LONG BEFORE THE BONUS

Many companies believe a bonus creates ownership. Paddock discovered the opposite. Ownership creates the bonus. When Chief Operating Officer Michael McDuffie joined the company, he saw an organization with tremendous potential—but one that wasn't listening closely to its people. Financial information was scarce. Employees didn't understand how the business made money. Managers spent more time reacting to problems than preparing for the future. The company first had to build a foundation made of financial literacy, regular forward forecasting, weekly financial reviews, and High-Involvement Planning™. Only after employees understood how the business worked could they begin to see how they could influence it.

“We're pushing the principle: Think like an owner. Act like an owner. Feel like an owner,” says McDuffie.

STAKE IN THE OUTCOME LESSON #2

PEOPLE FIGHT HARDER FOR A FUTURE THEY CAN SEE

One of the biggest breakthroughs came during Paddock's High-Involvement Planning process. Previously, employees heard ambitious growth goals but couldn't see the path, understand the journey, and couldn’t see the finish line. Leadership would announce where the company wanted to go, yet employees had no roadmap to get there. High-Involvement Planning changed that and also helped hold the company's path accountable in most cases.

Instead of simply announcing a destination, the leadership team laid out both the past five years and the next five years. Employees could finally connect today's work with tomorrow's opportunity. McDuffie compares this to running a marathon. “When we think with a longer time frame, we plan much better”

“WE KNOW WHERE THE RACE STARTS,” HE SAYS. “WE KNOW WHAT OUR MILE SPLITS NEED TO BE. WE KNOW WHERE THE FINISH LINE IS. AND WE KNOW WHEN WE HAVE TO GET THERE.”

That's what employee ownership requires. Not blind optimism. A clear line of sight. As Paddock grew from roughly 60 employees to more than 100 in just five years—and set its sights on exceeding $50 million in revenue while expanding to more than 250 employee-owners—the roadmap became even more critical. People weren't simply asked to support growth. They could see exactly how they fit in.

“When you involve the entire team,” Says Scholten, “we create alignment, and when we have alignment, we build momentum.”

STAKE IN THE OUTCOME LESSON #3

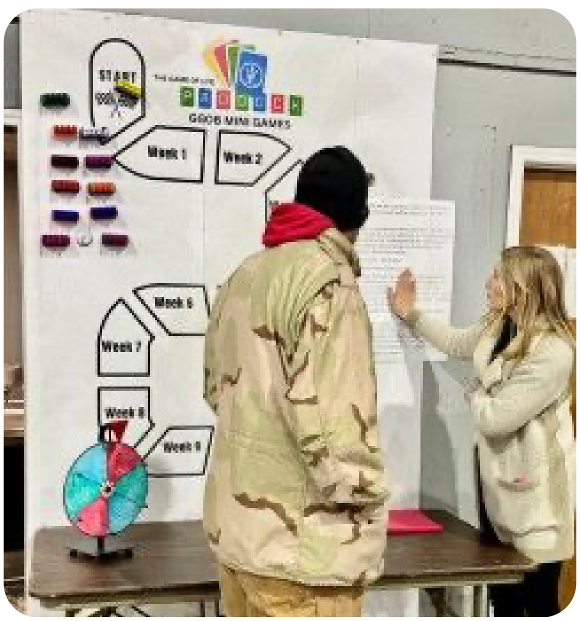
THE LIGHT SWITCH MOMENT

Every Great Game company experiences moments when something clicks. For Paddock, those moments come when employees realize their daily decisions change the outcome. **Reducing waste. Shipping a few more products. Avoiding a workplace injury. Improving a process. Suddenly, those aren't isolated wins. They're contributions to something everyone shares**. McDuffie sees it happen again and again.

> **WHEN THEY START SEEING THE STAKE IN THE OUTCOME, YOU CAN SEE THE LIGHT SWITCH GO OFF.**
>
> — **MICHAEL MCDUFFIE,**
> CHIEF OPERATING OFFICER

That's the real power of A Stake in the Outcome. It changes the question employees ask. Instead of asking, “What do I have to do today?” they begin asking, “How can I help us win?”

That shift has fueled stronger forecasting, better process improvement, richer conversations, and a culture centered on ownership rather than compliance.



STAKE IN THE OUTCOME LESSON #4

THE REWARD ISN'T THE CHECK. IT'S THE CREDIBILITY.

When Paddock Pool exceeded its financial goals, the bonus pool grew. Employees received payouts averaging more than six weeks of pay, and nearly half a million dollars was distributed in 2024. The following year, the company increased the Stake in the Outcome pool by another 27 percent.

SOME EMPLOYEES THOUGHT THERE HAD BEEN A MISTAKE. MCDUFFIE LAUGHS AS HE RECALLS SPOUSES CALLING AFTER THE DEPOSITS HIT THEIR BANK ACCOUNTS.

"The spouses were asking if we had made an error?" McDuffie says. "They were saying, 'Don't touch the money yet.'"

The bonus was real. So was the lesson. Leadership had promised employees that if the company won, everyone would share in the success. Then they kept that promise. The check mattered. But what mattered even more was the credibility it created.

Employees no longer had to wonder whether ownership was real. They had experienced it.

> **OUR EMPLOYEE OWNERS RECEIVED APPROXIMATELY 37 DAYS OF PAY LAST YEAR AND ABOUT 32 DAYS OF PAY THE YEAR PRIOR, THEY EARNED IT. WE ALSO SIGNIFICANTLY INCREASED THE STAKE IN THE OUTCOME POT LAST YEAR AFTER ACHIEVING A LEVEL 10 BONUS, WHICH CONTRIBUTED TO THE LARGER PAYOUT THROUGH GREATER PLANNING AND TEAMWORK. IF WE WIN, WE ALL WIN.**

— **MICHAEL MCDUFFIE,**
CHIEF OPERATING OFFICER

> **OUR EMPLOYEE OWNERS RECEIVED APPROXIMATELY 37 DAYS OF PAY LAST YEAR AND ABOUT 32 DAYS OF PAY THE YEAR PRIOR, THEY EARNED IT. WE ALSO SIGNIFICANTLY INCREASED THE STAKE IN THE OUTCOME POT LAST YEAR AFTER ACHIEVING A LEVEL 10 BONUS, WHICH CONTRIBUTED TO THE LARGER PAYOUT THROUGH GREATER PLANNING AND TEAMWORK. IF WE WIN, WE ALL WIN.**

— **MICHAEL MCDUFFIE,**
CHIEF OPERATING OFFICER

MORE THAN A BONUS PROGRAM

Today, Paddock Pool is growing rapidly. The company has expanded from a single business into multiple employee-owned companies. They have dramatically reduced ESOP debt, invested heavily in people, new equipment and technology, and continue to build systems that support future growth. Department scoreboards, educational videos, and financial dashboards help employees understand how EBITDA, break-even, and profitability connect to their work every day.

But McDuffie is quick to point out that growth brings new opportunities. Every new employee must be taught to think like an owner. That's why the company now includes the Great Game in onboarding, has appointed a dedicated internal GGOB champion, and continues to invest in financial literacy and other GGOB practices aggressively as it invests in new equipment.

Ownership isn't something you explain once. It's something you teach and practice continuously. Perhaps the most telling thing about Paddock is that McDuffie rarely discusses bonuses without first discussing people. Ask him about financial performance, and he talks about engagement. Ask him about growth, and he talks about learning. Ask him about ownership, and he talks about culture.

"It's not the participation—it's the engagement of the participation," he says.

That insight continues to shape how the company approaches ownership. A Stake in the Outcome isn't just about sharing profits. It's about creating people who care enough to help produce them, grounded in the belief that every employee deserves more than a paycheck—they deserve the opportunity to think, act, and succeed like an owner.