



Berner Food & Beverage Declares “There is No Downside” to Using ACT Workforce Solutions

THE ORGANIZATION:

Berner Food & Beverage, Inc.
Dakota, Illinois

THE CHALLENGE:

- » Hire employees with essential skills
- » Promote employees with high skill levels
- » Provide career pathways for employees and succession planning for the company
- » Reduce:
 - > Turnover
 - > Training time and expense
 - > Nonconforming product
 - > Workers’ compensation costs

KEY COMPONENTS:

- » ACT WorkKeys® assessments
- » National Career Readiness Certificates (NCRC™)
- » ACT-authorized job profiler on staff

THE RESULTS:

- » Turnover in one department:
 - > 2009: 13 terminations at a cost of \$215,000
 - > 2010: 12 terminations at a cost of \$188,000
 - > 2011: 1 termination
- » Workers’ compensation expense reduction—95% over two years:
 - > 2009: \$300,000
 - > 2011: \$15,000
- » Nonconforming product expense reduction: 80% over two years
- » Safety: Currently experiencing the best run without a lost-time injury in the company’s history

OVERVIEW

Berner Food & Beverage is a 70-year-old family-owned company in northwest Illinois. Berner is a leading private label supplier of quality food and beverage products for major retailers like Walmart, Target, ALDI, Kroger, Safeway, and Albertsons. The 230 employees at Berner produce a full line of dips, cheese sauces, and beverages.

“One of our core competencies,” explains Stephen Kneubuehl, president and CEO, “is to process food and beverage items containing milk. Not many firms can do this in a safe manner that ensures a shelf-stable product. Our products are branded with the retailer’s name so their reputation is on the line with the quality, safety, and flavor of every item we make for them. We take that trust very seriously.”

THE CHALLENGE

Food and beverage processing is a rapidly changing field. Computerized equipment and automation is essential to ensure product safety and competitiveness. As a result, the skills needed to operate technical equipment have changed. “We used to depend on the application and interview when hiring new team members,” says Paul Calvagna, human resources director. “But we realized we had no dependable way to measure an applicant’s skills or whether they were ready for the training we were prepared to offer. A diploma or a GED didn’t really tell us anything of value.”

The hiring process may have seemed mysterious, but the effects of ineffective hiring were painfully clear: high turnover, significant training time and cost, product waste, and workers’ compensation claims that were draining profit from the bottom line. Calvagna recalls instances when he had to regretfully let employees go because they just didn’t have the skills to learn what they needed to be successful. Something needed to change.

FINDING A SOLUTION

In 2008, Berner Food & Beverage was one of 15 area manufacturers participating in the Freeport Area Mid-sized Manufacturers Coalition (FAMMC). Kneubuehl recalls meeting after meeting where the highest-priority, most persistent problem faced by all the firms was the issue of recruiting skilled workers.

In exploring solutions, FAMMC began working with the local high school associate principal, Stan Messmore. “Stan introduced us to WorkKeys and the National Career Readiness Certificate,” recalls Kneubuehl. “I remember thinking at the time that this was just so logical. It made so much sense that I wondered why this was the first I’d heard of it.” Kneubuehl was intrigued by the idea of using a standardized workplace skills assessment tool and credential with Berner’s current employees *and* applicants. “The coalition decided to endorse the program, and we set out to learn more.”

In 2009, Calvagna attended a Michigan NCRC conference in Lansing. There, he met Patrick Hayes of Fabric Images, Inc., from nearby Elgin. A few months later, Hayes was invited to speak at a community-wide “Introduction to WorkKeys Luncheon” in the Freeport area.

In the meantime, FAMMC and the Freeport Chamber of Commerce raised \$25,000 in private money to begin funding the initiative. They worked with Highland Community College (HCC) in Freeport to administer the assessments and they purchased KeyTrain® curricula for HCC to offer to individuals wanting to improve their skills.

A date was set for the luncheon: January 27, 2010. Kneubuehl, Calvagna, and Jody Gowin, a human resources manager at Berner and now an ACT-authorized profiler, worked hard to encourage attendance. Calvagna and Gowin hatched a creative plan to pound the pavement, despite frigid winter weather, visiting employers in the area. Each employer who agreed to attend received a cookie. Kneubuehl began phoning area school officials and business leaders. If they didn’t commit to coming, he phoned them again. And if they still didn’t commit, he tried a third time. The result? More than 120 people attended the luncheon and heard Hayes, a passionate proponent, speak about the value of job profiling, WorkKeys assessments, and the NCRC. Kneubuehl also spoke, asserting that for the Freeport area to succeed in building a viable workforce, all facets of the community needed to be involved. Kneubuehl recognized that to make this work, his company—and as many others as they could recruit—were going to have to “live, eat, and breathe WorkKeys and the NCRC.”

An immediate outcome of the meeting was the formation of the Workforce Development Coalition, dedicated to promoting the use of KeyTrain, WorkKeys assessments, and the NCRC in area schools, businesses, and civic organizations.

IMPLEMENTATION STEPS

With two of the three WorkKeys assessments needed to earn an NCRC already required of high school juniors across Illinois, and with Highland Community College equipped to offer KeyTrain curricula and WorkKeys testing, the educational sector was on board. To further promote the NCRC to area high school students, Berner Food & Beverage chose to sponsor the third assessment, WorkKeys Locating Information, for high school students, giving them the opportunity to graduate with a diploma and the NCRC. “Our sponsorship makes it possible for graduates to earn a widely recognized credential they can take with them, whether they are headed to college or the workforce,” says Kneubuehl.

On the business side of the equation, the coalition began asking area employers to sign letters of commitment, indicating their support of the initiative and their willingness to recognize NCRCs presented by applicants. More than 75 businesses have signed up.

Berner began testing its employees in 2010. “We asked employees to go to HCC and take the three tests for an NCRC. And we asked our employees in leadership roles to take the Personality [formerly called Talent], Fit, and Integrity [formerly called Performance] assessments. We also have our maintenance department employees take the Applied Technology assessment. Overall, our intention was to gain a sense of the skills our people really have and how we can help them grow,” recalls Gowin.

Calvagna adds, “We wanted to spot those ‘diamonds in the rough.’ We were surprised at how many of our people had the skills to succeed in higher positions at higher pay, and we set out to challenge them to achieve more, earn more, and create a career path for their future, whether that path is here at Berner or not.”

“Our plan is to begin adding the WorkKeys Personality test for an NCRC Plus,” says Gowin. “We feel that this assessment, measuring an individual’s work-related attitudes and behaviors, gives us even greater value in terms of predicting success on the job.”

OUTCOMES

Testing of current employees continues. Of the 186 who have earned the NCRC, nearly 60% achieved the Silver level and 26% the Gold level.

Turnover

“We began this journey to address the turnover issue, and we’ve certainly seen improvement there,” says Kneubuehl. “In 2009, our turnover numbers were essentially out of control; by turning to ACT and the National Career Readiness Certificate, we were able to bring turnover down to just slightly over 2%.”

One dramatic example involved a particular department where turnover was very high. In 2009, there were 13 terminations at an estimated cost of \$215,000; in 2010, 12 terminations cost \$188,000. After full implementation, only 1 termination occurred in 2011.

Workers' Compensation Costs

Other results are equally stunning. Calvagna recalls, "In 2009, we were running about \$300,000 a year in workers' compensation costs. In 2011, that cost was about \$15,000. That's a 95% improvement and is largely the result of having the right individual in the right position who understands the job requirements."

Nonconforming Product

Rework or nonconforming product that must be scrapped is a drag on any company's bottom line. Berner reports an 80% reduction over the last two years. "That means we make the product right the first time. You can't accomplish a reduction of that magnitude unless you have skilled people in every stage of your operation," states Calvagna. "That helps hold costs down, which benefits everyone."

Higher Morale

"One positive outcome that we really hadn't anticipated," says Gowin, "is that the process really raised morale among our employees. They felt like they had a piece of paper that meant something, and a lot of them scored even higher than they had anticipated. The certificate level has become a competitive thing around the plant, and many of our employees want to build their skills and retest to qualify at a higher level."

Career and Success Planning

"WorkKeys assessments and the National Career Readiness Certificate provide a foundation—a foundation for building a career," says Calvagna. "It's also a foundation on which Berner Food & Beverage can build a succession plan."

RECOMMENDATIONS FOR OTHERS

"When Paul and I speak to other employers, we let them know that when you implement WorkKeys testing and the National Career Readiness Certificate, the cost is extremely minimal," reports Kneubuehl. "We tell them they will be surprised at the cost/benefit analysis. It costs Berner around \$5,000 just to train a new employee, and if they aren't the right fit, we've lost that investment and still have to find someone else and get them on board and trained. We tell others that they are going to be surprised at the value when you can be confident the new employee is trainable."

As Berner Food & Beverage continues to live, eat, and breathe WorkKeys and the NCRC, Calvagna sums up the solution in six words: "There is no downside to this."

SUCCESS STORIES

Evan Shockey, Training Coordinator

"I began as a temporary worker on the night shift, working through a temp agency," recalls Shockey. When he applied for full-time work, Berner asked Shockey to take his WorkKeys assessments at HCC. "I scored a Gold-level NCRC, and that's when the director of operations took notice. I moved into a quality position and then was asked to consider becoming a training coordinator. Now, working with human resources and operations, I also help identify potential trainers who have the skills to become optimal trainers of our workers." Gowin states that Shockey is an excellent example of someone who did what he needed to do to get in the door, prove his skill levels, and get noticed for all the right reasons. "In a very short period of time, he has been able to get into what is a solid career for years to come."

"As good as a Gold-level Certificate may be, I'm not satisfied," says Shockey. He came close to earning a Platinum and is planning to retest within the next few months to see if he can be the second Platinum-level NCRC holder at the company.

Aiesha Meeks, Cooker/Brewer

Kneubuehl shares a story about one employee who started at Berner as a temporary worker. "A single mother of five, Aiesha was hired to work an entry-level line job. Once she took her WorkKeys assessments and learned of her Silver-level NCRC, she was excited. But not as excited as when our human resources people approached her and said 'Aiesha, we think you're qualified to do much higher-skilled jobs here, and we think you should consider moving up.' She was ready to do it, and over the last 18 months, she has gone from a lower-paying, \$11-an-hour job, to a production cook. That's one of our highest-level positions, and she's now getting \$18, \$19 an hour. As a result of Aiesha's skill levels, we got a great employee with a future, and she now has a better personal situation as well."

Learn more at WWW.ACT.ORG/WORKFORCE

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