



# HENNINGSEN COLD STORAGE

PREMIER EMPLOYER  
PROJECT  
Fall 2012

Funded by  
**HITACHI**  
THE FOUNDATION



**FOUNDED**  
1923

**CHAIRMAN AND PRESIDENT**  
Michael Henningsen Jr.

**LOCATION**  
Hillsboro, Oregon

**EMPLOYEES**

- 235
- 74 percent earn less than \$40,000 per year

**FACILITIES**  
9 facilities in 6 states

**SERVICES**  
Cold Storage  
Transportation

**WEBSITE**  
[www.henningsen.com](http://www.henningsen.com)

“THERE ARE THREE KEY PIECES TO ATTEND TO FOR A COMPANY TO SUCCEED IN THIS INDUSTRY: CUSTOMERS, SERVICES AND LOCATIONS. WE HAVE TO HAVE OUR WAREHOUSES WHERE OUR CUSTOMERS ARE OR WHERE THE PRODUCT THEY ARE STORING IS CONSUMED. LOCATION IS NOT BASED ON WHERE THE TALENT IS, THEREFORE, WE HAVE TO DEVELOP OUR EMPLOYEES TO BE AND DO THEIR BEST.

— TONY LUCARELLI,  
EXECUTIVE VICE PRESIDENT”

## INTRODUCTION

In 1923 Waldemar F. Henningsen Sr. established his family company as Northwestern Ice & Cold Storage Company in Portland, Oregon. By the late 1960's the company had grown to seven locations throughout the Pacific Northwest.

In 1973, Michael E. Henningsen Sr., grandson of the founder, changed the name to Henningsen Cold Storage. Already working in the corn and potato industries, Henningsen Sr. grew the company's customer base by building a state-of-the-art warehouse in Twin Falls, Idaho. The new facility helped solidify Henningsen's commitment to the corn and potato industries, which led to additional expansion throughout the 1980's to meet the growing demand for processed potatoes throughout the United States, Canada, Mexico and overseas.



As demand for cold storage services increased in the 1990's, Henningsen leveraged its public refrigerated warehousing expertise to build new facilities throughout Washington and Oregon. In 2010 it grew its customer base once again by offering its warehousing expertise to the growing Willamette Valley wine industry. Most recently, the company developed Henningsen Transportation Management Services to offer full and less-than-truckload distribution.

Four generations later, Henningsen is still a family-run company. It has become one of the largest public refrigerated warehousing companies in North America, while also maintaining its supportive and light-hearted family atmosphere.

Henningsen's mission is to receive, store and ship its customers' products at less cost and better than they can do it for themselves by not only acting as a partner but also as if they are part of the customer's company. Henningsen knows it must cultivate and maintain a highly trained, loyal, satisfied and customer-oriented workforce delivering superior service 24 hours a day, seven days a week.

Henningsen operates in an industry with an average turnover rate of 35 percent, which is a challenge for most companies. Instead Henningsen has turned this challenge into a competitive edge by creating a culture where managers *hire to fit*.

Bill Daniel, Human Resources Manager says, "We would much rather hire for customer service and attitude and train for skill. We want our managers to ask themselves, 'will this person fit within our group?'"

Even though the company has grown steadily and now includes ten warehouses throughout the US, top managers and the corporate team still know just about every employee by name. Managers and leaders adhere to a firm open door policy; employees know that if needed, they can call the President of the company any time, day or night.

## PRACTICES AT A GLANCE

### SAFETY FIRST

Workplace safety is the number-one priority at Henningsen. The company works closely with employees and regulators to ensure a hazard- and injury-free work environment.

### CULTIVATING EMPLOYEES TO BE LEADERS

Top-performing employees are selected to attend the World Food Logistics Organization Institute, where they gain complete understanding of the entire warehouse and logistics industry over a three-year period.



### ENCOURAGING EDUCATION

Henningsen offers tuition reimbursement for ongoing education relevant to the cold storage industry.

### PROMOTING FROM WITHIN AND LATERAL MOVES

Henningsen provides clear opportunities for advancement and increased pay. At select locations, managers may shift workers from facility to facility to meet customers' changing needs.

## BUSINESS RESULTS

### AWARD-WINNING PRINCIPLES FOR ASSOCIATE CARE

Henningsen's family-like approach is evident throughout their cold chain, especially as one walks into any of their facilities. The benefits start with employee-customer relationships. Associates intimately know their customers and their customers' products. At any time associates can stop a process if they feel something is wrong. That level of autonomy has created a culture where associates feel safe and encouraged to make suggestions for continuous improvement, which saves money for Henningsen and its customers.

Making safety a number-one priority has resulted in a MOD rate of .80, which is one of the lowest in the industry. This rate translates into lower cost premiums based on the lower risk of insurance claims and an injury-free workforce.

Of the more than 235 employees, 52 percent have been with Henningsen for more than five years. It boasts a turnover rate of less than 5 percent per year compared to the industry average of 35 percent, saving the company an estimated \$40,000 to \$120,000 annually in

### TENURE HEADCOUNT

5+ YEARS  
55 ASSOCIATES

10+ YEARS  
24 ASSOCIATES

15+ YEARS  
13 ASSOCIATES

20+ YEARS  
18 ASSOCIATES

25+ YEARS  
8 ASSOCIATES

30+ YEARS  
4 ASSOCIATES

recruitment and training costs.

Henningsen's supportive, yet light-hearted family atmosphere has earned the company several high profile awards. It has received the *100 Best Companies to Work for in Oregon* award presented by Oregon Business magazine several times. The award's rankings are determined by survey results from both a company's management team and its employees.

Although Henningsen does not release sales figures, the company has steadily added warehouses across the country in the past few years. Even through the economic downturn of 2007-2009 it expanded, whether through purchasing existing warehouses or building new, state-of-the-art facilities.

## CLOSE-UP: EMPLOYEE PRACTICES SAFETY FIRST

“OUR EMPLOYEES PERFORM HEAVY DUTY LABOR IN EXTREME TEMPERATURES. BEING INJURED DOESN'T JUST IMPACT PRODUCTIVITY. IT POTENTIALLY IMPACTS OUR EMPLOYEES' QUALITY OF LIFE, WHICH IS WHY WE NEVER SACRIFICE SAFETY FOR 'PRODUCTIVITY' OR 'EFFICIENCY'.

—BILL DANIEL, HUMAN RESOURCES MANAGER”

Henningsen has always emphasized the safety of its employees. In the mid-2000's, it decided to be proactive about its safety policies and procedures. Rather than wait for the Occupational Safety and Health Administration (OSHA) to conduct on-site inspections, which are conducted randomly and without advance notice, Henningsen sought OSHA's assistance to be in full compliance with OSHA requirements. They believed this initiative would help the company and its workers reduce on-the-job hazards and prevent injuries, illnesses and deaths in the workplace.

As of early 2012, six Henningsen warehouses have received an annual certification by OSHA's Safety and Health Achievement Recognition Program (SHARP). The SHARP certification recognizes Henningsen as having an exemplary safety and health management system and exempts Henningsen worksites from OSHA programmed inspections during the period that each SHARP certification is valid. It is an achievement of status that singles companies out among their business peers as a model for worksite safety and health.

Instead of reacting to OSHA citations, safety has become a daily way of doing business at Henningsen. Each individual location and location manager is responsible for his or her facility. The manager along with his/her direct reports and the safety committee execute the safety plan. All employees are actively engaged in safety, even if it means something as seemingly

simple as honking the horn before driving a forklift into a warehouse.





### CULTIVATING EMPLOYEES TO BE LEADERS

Each year managers nominate employees to attend the WFLO Institute, which is an arm of the World Food Logistics Organization. If approved by the executive team, employees attend three days of in-depth classes in cold storage or public refrigerated warehousing annually for the next three years.

Managers nominate employees based on the following criteria:

- Hard worker
- Leadership qualities
- Willingness to take on increasing levels of responsibility
- Strong communication skills
- Respect and likability by team and management team
- 'Make it happen' attitude

During any given year, up to 10 employees attend the Institute. The course costs \$3,500 to \$5,000 per employee, which includes tuition, travel and lodging. When employees graduate, they have a complete understanding of the entire warehouse and logistics business.

Executive Vice President Tony Lucarelli has worked in the cold storage industry since he was 14 and even paid his way through college with wages from the industry. He attended WFLO early in his 25 years at Henningsen. Many corporate and warehouse managers, like Tony, have come up from the ranks.

#### DELONA JACKSON ASSISTANT WAREHOUSE MANAGER

When DeLona Jackson applied for a job with Henningsen Cold Storage, she was working in housekeeping at a hotel and also working at a recycling center. Starting out as a temporary worker on the butter line, where butter is re-packed for customers, she was quickly hired as a customer service representative, helping out in the office in the Kent, Washington warehouse facility. Soon, she became responsible for an inventory control project, which she still oversees, while also transitioning into an office manager position.

When her boss, John Bohr, saw how well she did with inventory control, he recognized her leadership potential and sent her to the World Food Logistics Organization (WFLO) Institute courses.

Initially, DeLona didn't envision much of a future with Henningsen. Having a company invested in helping her to be the best she could be had not been her past experience. Her attitude has changed considerably and she now considers herself part of the family.

In addition to all the fun she is having, DeLona says she likes the ongoing opportunity to develop professionally. She says she also appreciates the benefits and regular wage increases. And

“MY CAREER KEEPS CHANGING SO POSITIVELY FOR ME THAT I DON'T EVEN KNOW MY TITLE ANY MORE. WHEN THEY MADE MY BUSINESS CARDS, THEY ASKED ME WHAT I WANTED ON MY CARD. MY AMBITION IS TO HAVE IT SAY WAREHOUSE MANAGER ONE DAY.

- DELONA JACKSON, ASSISTANT WAREHOUSE MANAGER”

true to the company's cooperative family atmosphere, she still drives a forklift when needed. DeLona has an ambitious goal: she wants to manage her own warehouse.

## ENCOURAGING EDUCATION

In addition to WFLO training, Henningsen offers tuition reimbursement for ongoing education relevant to the cold storage industry. On average one or two employees receive this benefit per year. To be eligible, employees must demonstrate that the ongoing education will help them perform their job better or help them work toward a new position.

### BOB LAWYER REGIONAL MANAGER

Bob Lawyer is based in the Richland, Washington warehouse operation and serves in a far different position than his first job at Henningsen 22 years ago. At that time, he had started as a part-time forklift driver while working at another company at the same time. After deciding to stick with Henningsen, he added weekend supervisor duties, and then moved to regional sales manager.

Managers created that position for him and they created the next position for him as well. Lawyer is now one of Henningsen's three regional managers for operations and sales in Washington and Idaho.

Continuing education has been an important part of Lawyer's career. Having been in the warehousing industry for many years, he had taken management level classes while working at other companies. Now he is in the process of obtaining a bachelor's degree, an effort Henningsen management supports.

“WHEN CORPORATE MANAGEMENT COMES AROUND, THEY KNOW MY NAME. THEY TALK TO ME. AND I KNOW WHO THEY ARE. IN ALL THE OTHER COMPANIES I WORKED FOR I NEVER SAW THAT, EVER. THEY GENUINELY CARE FOR THEIR EMPLOYEES.

—BOB LAWYER, REGIONAL MANAGER, IDAHO AND WASHINGTON OPERATIONS”

## PROMOTING FROM WITHIN AND LATERAL MOVES

Henningsen shifts workers from facility to facility as company requirements change. This helps prevent layoffs, which is a huge employee morale booster as workers see the company is committed to keeping jobs.



Open positions are posted company-wide and employees are encouraged to apply for jobs they think they could do. Although there are no hard and fast rules, employees must generally be willing to relocate if necessary.

Sometimes employees transfer to a new city where another Henningsen warehouse is located. When there is an open position available and the employee is in good standing with the company, the employee's current warehouse manager will recommend the employee for the position.

### **GUY STORMS WAREHOUSE MANAGER**

Guy Storms started in 1986 as a building and maintenance worker. At just 22 years of age, he had scant experience in the world of work, mainly remodeling, construction and concrete work, but he wanted steadier, year-round work. He moved on to construction work, then progressed to forklift driver during the summer.

Subsequent progress was steady - from warehouse, to foreman, then inventory control, to director of warehouse services, and finally warehouse manager in Forest Grove, Oregon. These steps required much encouragement for Storms, who says he always thought about his future in the short-term. He has now been with Henningsen for almost three decades.

**BELIEVE IT OR NOT, I MODEL MY MANAGEMENT STYLE ON THE EXAMPLE SET 27 YEARS AGO BY MY FIRST MANAGER BY BEING UPFRONT AND HONEST WITH NEW HIRES.**

—GUY STORMS,  
WAREHOUSE MANAGER

At the heart of Henningsen's engagement practices are its values. It has been rewarded for them with low turnover, experienced, flexible staff and steady sales growth.

## **HENNINGSEN'S VALUE SYSTEM**

### **I. PERSONAL VALUES OF PEOPLE WE WISH TO BE MEMBERS OF HENNINGSEN**

- Honesty with both self and others in all matters.
- 100% accountability for all aspects of responsibilities.
- Win-Win is the basis for all interactions with others.
- Have fun - without it life/work isn't worth the trip.
- No office politics.
- Dedication to Improvement of Self and Job. Always give your best.
- Disagreements are resolved in a direct professional manner (like lawyers) without personal animosity or personal attacks of any kind.
- Spend 80% of time on solutions/future not problems/past.
- Attack solutions not people.
- A positive attitude breeds teamwork.

### **II. LEADERSHIP VALUES OF MANAGERS AND SUPERVISORS WE WISH TO JOIN HENNINGSEN**

- Leadership is a sacred trust.
- Leadership is only effective by example.
- Respect is earned not demanded.
- There is no substitute for dedication and 100% commitment.
- Assets are managed - people are led.
- Clear sincere communication is an essential to good leadership.
- True listening is the first step to good communication.
- Leaders build teamwork and trust with supervisors, peers, and subordinates alike.
- A leader ensures his department causes no surprises.
- People deserve to have a say in those things that affect them

directly (Participative Leadership Style).

- A leader is willing to risk.

### **III. ORGANIZATIONAL VALUES**

- Henningsen is a customer driven company. Without a customer we do not exist.
- Sense of Urgency. Improvement and innovation are essentials for future success.
- People are our greatest strength. Consistency and fairness support this strength.
- We will promote from within wherever possible.
- Personal growth in an individual is a natural state of living. We acknowledge and support success, teamwork and integrity in others.
- People require the freedom to take tolerable risks.
- People deserve a support network to help ensure their success.
- Errors of commission are understandable - Errors of omission are not.
- We are a caring and people oriented organization - we respond to all people problems within 24 hours (Internal and External).
- Our objective is to ensure a comprehensive fit between the needs/objectives of the corporation and those of the individual.
- Our objective is to be a good corporate citizen founded on a carefully selected group of individual citizens.
- Financial survival is a necessity.





## ABOUT THE PREMIER EMPLOYER PROJECT

Northwest Food Processors Education & Research Institute (ERI) received a generous award from the Hitachi Foundation to identify companies that have innovative employee engagement practices, including promoting economic opportunities for their lower-income employees, as a strategy for improving their corporate results. Through this project 12 case studies of Premier Employers from the Food Processing industry have been written and are available at [www.nwfpa.org](http://www.nwfpa.org).



## ABOUT THE HITACHI FOUNDATION

The Hitachi Foundation is an independent nonprofit philanthropic forging an authentic integration of business actions and societal well-being in North America. Through 2013, the organization's strategic focus is on discovering and expanding business practices that create tangible, enduring economic opportunities for low-wealth Americans, their families, and the communities in which they reside—while also enhancing business value.



## ABOUT THE NORTHWEST FOOD PROCESSORS EDUCATION & RESEARCH INSTITUTE

Incorporated in 2007, Northwest Food Processors Education Research Institute (ERI) exists to enhance the overall economic health of the Northwest food processing cluster and the communities it supports. ERI provides research and support to the food processing industry.

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