



NWFA
NORTHWEST FOOD PROCESSORS ASSOCIATION

SIERRA NEVADA BREWING COMPANY

PREMIER EMPLOYER
PROJECT
Fall 2012

Funded by
HITACHI
THE FOUNDATION



FOUNDER AND CEO
Ken Grossman

EMPLOYEES
600
48% earn less than \$40,000

LOCATION
Chico, California
Currently constructing
second brewery in
Mills River, NC

PRODUCTS
Pioneer in Craft Brew
Flagship Brand Pale Ale
Craft Beer
Locally Sourced Food

WEBSITE
www.sierranevada.com

"I BELIEVE EMPLOYEES SHOULD BE VIBRANT MEMBERS OF SOCIETY AND GREAT AMBASSADORS FOR THE COMPANY."

- KEN GROSSMAN, FOUNDER

INTRODUCTION

Ken Grossman, Founder and CEO, has always been a hands-on leader. Since founding Sierra Nevada Brewing Co. (SNBCo) in 1980 he has been involved in every aspect of the brewery operation. Today, the company has an international reputation for brewing great beer, which Ken attributes to soliciting and valuing employee contributions at all levels of the brewery.

SNBCo has always taken the time to ensure that employees can articulate the nuances of creating a great product and what differentiates SNBCo from its competitors. When SNBCo's growth rates accelerated in the mid-2000's over previous years, the company experienced a greater need for qualified and technically trained employees to support increased demands on productivity. In 2010, it was awarded a California Employment Training Panel grant to implement a complementary customized worker-training program that helps frontline workers gain occupational skills and keep up with growing demand, while still becoming knowledgeable in the art of brewing beer.

EMPLOYEE PRACTICES AT A GLANCE

EMPLOYEE TRAINING

SNBCo provides rigorous, ongoing training for employees at every level of the company.

FINANCIAL WELL-BEING

SNBCo provides generous retirement and profit-sharing benefits that takes care of employees in the short- and long-term.

HEALTH & WELLNESS

SNBCo supports the health of all employees.

FAMILY FRIENDLY PRACTICES

SNBCo offers on-site, affordable daycare and preschool as well as internships for adult children of employees.



RESULTS

By taking the time to fully train employees and provide benefits and perks that holistically take care of its employees, SNBCo has crafted a productive and loyal workforce that is its competitive edge. It has experienced tremendous growth. The company boasts a high retention rate. Twenty three percent of employees have been with the company for at least 20 years and 47 percent of employees been with the brewery five years or more.

CLOSE-UP: EMPLOYEE PRACTICES

EMPLOYEE TRAINING

NEW EMPLOYEE ORIENTATION

When employees start at Sierra Nevada Brewing Co. they receive a half to full day orientation that includes:

- New hire paperwork.
- Review of SNBCo Employee Handbook.
- SNBCo-branded products made by local companies. SNBCo makes every attempt to use local business partners to support the “buy local” movement.
- Introduction to SNBCo's Health Opportunity Program.
- Safety training, depending on a new hire's position.

The new employee orientation ensures that all new employees feel welcomed and receive the same information about working for SNBCo.



SNBCO 101

Once a month the human resources department conducts SNBCo 101, an all-day, mandatory program for new employees. Topics include:

- History of the Brewery
- Values, Perks & Benefits of working for SNBCo
- Sexual Harassment, Discrimination & Retaliation Prevention Training
- Key Performance Indicator/Touch Screen Review
- Facility Tour, covering non-production departments
- Voluntary Beer Tasting with Sensory Department

SNBCo101 introduces new employees to the ‘SNBCo Way’ through stories and anecdotes that illustrate its culture and values. The company has found that this approach resonates and has a more positive and lasting impact than only focusing on facts and statistics.

EMPLOYEE STORY: MOLLY P., AREA SALES MANAGER

When Molly P. applied for a job at SNBCo in 2005, the brewery seemed like just another popular brewery and restaurant where she could find steady work. In her first interview, however, she felt a sense of pride and belonging from the staff she had not experienced with other employers.

“KEN AND HIS TEAM BELIEVE SO THOROUGHLY IN WHAT THEY DO. THEY MAKE EVERYONE THAT WORKS FOR THEM A BELIEVER TOO.”

— MOLLY P., AREA SALES MANAGER

Molly was hired and after a year of seating customers and bussing tables—two demanding jobs in a restaurant—she expressed interest in giving tours of the brewery. Her manager immediately enrolled Molly in their training program and offered ongoing mentoring and coaching support.



After successfully leading tours for a number of years, Molly was promoted to a sales position. In fact, it was the same manager who originally saw Molly's potential that encouraged her to move into sales and further build a career with SNBCo.

Today Molly is an Area Sales Manager. She says she owes her success to the support and training she has received from her managers during her time with SNBCo.

FIRST THURSDAYS

On the first Thursday of every month, managers receive ongoing training and coaching about relevant topics for managing their teams well. Topics include how to address employee leaves of absence, industry trends, managing across generations in the workplace, effective communication skills, etc. SNBCo uses in-house trainers, invites guest speakers and occasionally partners with organizations such as the local community college to deliver workshops.

BREWING 101

Last year Sierra Nevada began participating in the California Employment Training Panel (ETP). Through this program, the state reimburses employers for certain categories of employee training in order to assist businesses in maintaining their competitive edge through the development of their employees.

Sierra Nevada participated in the program to:

- Increase the training and educational offerings available to all employees.
- Instill a basic understanding of its processes and how its product is crafted from start to finish.



- Give employees knowledge about the brewing process to help them make good decisions, to aid them in representing the brewery at events and to friends, and to allow SNBCo to promote from within by giving them the technical background to succeed.

The program requires that employees take at least 24 hours of training each in order for their time to qualify for reimbursement. Time is tracked per employee, not as a company average. As of the November 2, 2012 deadline, 208 Sierra Nevada employees successfully reached the 24-hour requirement, and together they accumulated 6,729 hours of training.

PROGRAM DESCRIPTION

SNBCo trains its employees in Commercial, Hazardous Materials, Business and Management Skills. Training is delivered cross-departmentally in two-hour increments. Employees company-wide get to know each other and gain a better understanding of the entire production line, including brewing, bottling, tours and restaurant operations.

COMMERCIAL SKILLS TRAINING

Known as Brewery 101, commercial skills training helps employees understand the entire production process with an emphasis on their impact and contribution to both the product and the complex set of processes that create it. Training covers specialty malts, styles of beer, water, yeast, fermentation, filtration and clarification, colloidal stabilization, sanitation, quality, transportation and logistics, and warehousing.



Brewing 201 will be the next phase of this training program, offering more in-depth training and information for those employees seeking future transfer opportunities.

HAZARDOUS MATERIALS SKILLS TRAINING

Production workers and brewery staff are trained in Hazard Analysis Critical Control Point (HACCP) techniques to improve the work environment and protect both its employees and the community from potential hazards of the manufacturing processes.

BUSINESS SKILLS TRAINING

All employees that interact with customers receive training in beer knowledge. Restaurant, taproom and sales employees are also trained in sales and marketing techniques.

MANAGEMENT SKILLS TRAINING

SNBCo promotes from within the brewery whenever possible. Since new managers and supervisors often have above-average technical

"IN TODAY'S TECHNOLOGY DRIVEN SOCIETY, WE BELIEVE THAT TO BE A BETTER, MORE ENGAGED CITIZEN, EVERY EMPLOYEE, WHETHER THEY USE THE COMPUTER AS PART OF THEIR JOB OR NOT, NEEDS TO BE ABLE TO CONNECT WITH THE WORLD VIA THE WEB, EVEN IF THEY ONLY HAVE RUDIMENTARY SKILLS."

— CARRIE ALDEN, HUMAN RESOURCES MANAGER

skills, but lack sufficient skills in management and supervision, they receive training in first-time supervision, productivity maximization, and other management skills.

COMPUTER LITERACY SKILLS

When SNBCo remodeled its plant and added new offices in 2007 it took the opportunity to include a computer lab, so employees could gain computer literacy skills. Employees learn how to set up email, search for information online and are provided a spectrum of courses from beginning to advanced skills across a variety of software programs.

FINANCIAL WELL-BEING

401(K) | ROTH 401(K) | PROFIT SHARING PLAN RETIREMENT

SNBCo provides a generous retirement plan to its employees. Employees are automatically enrolled in its 401(k) plan on the first of the month following their 90-day Introductory Period. Deferrals start at 6 percent pre-tax, allocated to the Fidelity Freedom Fund that corresponds to the employees' projected retirement, based on date of birth. Deferrals automatically increase by 1 percent each July 1 until a 10 percent pre-tax deferral rate is achieved.

Pre- and post-tax deferrals are eligible for SNBCo match of 100 percent of an employee's combined contributions of up to 10 percent, effective on earnings from January 1 or July 1 after 1 year of service. All employees working over 1,000 hours per year may have up to an additional 5 percent of their qualifying compensation contributed by SNBCo to a separate account on the employee's behalf, referred to as Profit Sharing (PSP), effective on earnings from January 1 or July 1 after one year of service

At the discretion of SNBCo, allocations are made to your profit sharing account based upon your proportionate share of the total compensation paid during that year to all participants in the plan. The employee is 100 percent vested in 401(k) self-deferrals immediately and is fully vested after three years of employment.

"THE PRODUCT HERE IS UNDENIABLY SUPERIOR AND THE PEOPLE ARE AWESOME. SNBCO IS THE TYPE OF PLACE WHERE THINGS ARE CONSTANTLY CHANGING AND IF ONE IS PATIENT, THERE WILL BE NEW OPPORTUNITIES ARISING."

— JONATHON M., FILTER TECHNICIAN

EMPLOYEE STORY: JONATHON M., FILTRATION TECHNICIAN

Jonathon started with SNBCo as a temporary employee in the Bottle Shop Department. He was hired as a full-time employee when a new position became available after six months.

Jonathon worked for the next three years running SNBCo's Clean in Place program and transferring beer for packaging. When an opportunity opened up in the filtration department, he applied for it. The position demanded a lot of skills Jonathon already possessed, while also requiring that he learn a lot of new information about the beer production process.



Over the last three years Jonathon has been on a steep learning curve in the filtration department. But he not only loves what he does, he also loves having an environment where learning new things is continuous. He plans to continue looking for new opportunities for growth in the company.

HEALTH & WELLNESS

OASIS ON-SITE MEDICAL CLINIC

Built in 2006, the Oasis Medical Clinic provides employees on-site skilled and immediate care at no cost to its employees— full time, part time, and per diem—and their immediate family members. Physicians, Physicians Assistants, and Nurse Practitioners are available five days a week to address a number of health issues, write prescriptions, and provide referrals for specialized care.

In April 2012, SNBCo transitioned to an Integrative Medicine model with expanded services for employees and their families. The new approach is based on five principles of practice:

1. Prevention/Wellness
2. Access
3. Communication
4. Education
5. Relationship

The expanded services include care for acute and chronic medical conditions and coaching to encourage healthy lifestyle changes.

GREEN MACHINE

The Green Machine program is an incentive program designed to encourage and reward employees to utilize their bicycles as a form of transportation. The program has been highly successful for the past four years and participation continues to increase. Ninety employees actively participate in the program.



Employees make a pledge to ride their bikes to work, for running errands or for regular recreation. Every three months, employees who met their pledge are entered into a drawing for gift certificates to local bike shops and every May, during Bike Week, bikes are given to two employees who met their pledges for the entire year.

Employees are also encouraged to take advantage of the Federal Bicycle Commuter Act Benefit. This benefit provides an allowance of up to \$20 per month to employees who ride their bikes to work at least more than half of their regularly scheduled shifts. The allowance can be used for reasonable expenses incurred in conjunction with riding to work.

FAMILY FRIENDLY PRACTICES

LITTLEFOOT DAYCARE AND PRESCHOOL

SNBCo offers on-site, affordable daycare and preschool for employees' children, grandchildren, nieces and nephews. The daycare saves employees travel time since the daycare is adjacent to the brewery, allows them to spend time with their children during lunch and breaks and helps new parents better manage the stress of having a young child.



Although a perk for SNBCo employees, Littlefoot is striving to break-even. It is priced at or just below market value so it can stay competitive, while covering its costs.

INTERNSHIPS FOR ADULT CHILDREN OF SNBCO

SNBCo offers a 160-hour summer internship program for adult children of employees who are at least 18 years old. In its third year, the program exposes interns to the variety of roles within the brewery by having them work in different positions in the plant. The interns gain real-life work experience, while SNBCo is able to evaluate potential future employees.

At the end of their internship, the first group of interns had shared that they did not know how to be good employees. The next year SNBCo took extra time to teach interns how to be a good employee by having them go through the same onboarding process as other employees and by providing continuous feedback throughout their internship. Human Resources finds program to be very successful at getting new employees into the pipeline.

SIERRA NEVADA VISION AND VALUES

Although it really is all about the beer, the importance SNBCo places on its workforce, combined with the values of the company, continues to impact its success.

VISION

Our enduring vision is to sustain and enhance our status as one of the best breweries in the world while embracing the following values.

VALUES

QUALITY

Our products and services should exceed peoples' expectations.

We continually strive to improve quality and consistency in our products by focusing on process improvement, quality control, innovation, and raw-material selection. We attempt to provide the highest level of service to our wholesalers, suppliers, customers, and employees.

INTEGRITY

We develop relationships based on trust and respect.

We do our best to be open and honest in our relationships with our employees, customers, and vendors. We treat others as we wish to be treated.

PEOPLE

We greatly value and are fully committed to our employees.

Our employees make our products possible and are vital to our success. We value providing a safe and secure work environment, compensating people fairly for their effort, and promoting healthful behavior on and off the job. We strive to create a work environment that fosters long-term commitment, job satisfaction, and self worth.

COMMUNITY

We respect and support our local and global communities.

We demonstrate our commitment by investing in the social, cultural, and environmental needs of our neighborhood and greater communities.

SUSTAINABILITY

We work safely and efficiently so we can continue to prosper.

We utilize both human and natural resources effectively in order to maintain a strong viable company. The continuous investment in our employees, technology, processes, and facilities represents our commitment to sustaining Sierra Nevada Brewing Co. into the future.



ABOUT THE PREMIER EMPLOYER PROJECT

Northwest Food Processors Education & Research Institute (ERI) and the Hitachi Foundation jointly offered the Food Industry Premier Employer Awards for companies with facilities in the Idaho, Oregon and Washington. This award recognized employers whose successful businesses are built on developing economic advancement opportunities for their lower-income* employees in any part of the company (*earning less than \$40,000 a year).

Through this project 11 case studies of Premier Employers from the Food Processing industry have been written and are available at www.nwfpa.org and www.foodinnovationmarketplace.com.



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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