

Premier Employer

Tim's Cascade Snacks



Pinnacle
FOODS GROUP LLC



“Our company success is dependent on our employees' involvement. It's been our business strategy to do everything we can so that our employees act like OWNERS of the company.”
-Jeff Leichter, General Manager

THE **HITACHI**
FOUNDATION

NORTHWEST FOOD PROCESSORS
**Education & Research
Institute**

NWFA
NORTHWEST FOOD PROCESSORS ASSOCIATION

Tim's Cascade Snacks

Founded: 1986

Location: Algona, Washington

Employees: 85

Revenue: \$42M/year

Products: Potato Chips, Popcorn Snacks

Website: www.timschips.com



Tim's Cascade Style Potato Chips began in 1986 with co-founders Tim Kennedy and Jeff Leichter in a makeshift 15,000 square foot facility in Auburn, Washington. Kennedy had long worked in the snack industry and believed that potato chips were declining in quality and saw quality chips as a potential business opportunity. With primarily used equipment, Tim's Cascade aimed to provide quality chips by hand stirring with special rakes small batches of thick sliced potatoes in square shaped kettles, spiced by hand and packaged in signature red and white striped bag. Kennedy then went out to local convenience stores and gave them samples to try. The quality chips quickly gained a cult like following of fans and in 1988 Tim's Cascade Style was named "the best potato chip in Seattle".

Kennedy knew that to make a great potato chip he needed employees who would consistently produce an excellent product. He decided to emphasize great employee practices as one of the strategic elements in the company's formation. Having a small start, the founders were close

to the employees with Tim running the packaging room and Jeff running the fry room. This allowed the founders to listen to their employees as the company grew, providing benefits that the company could sustain with no take backs. The company has won several high profile workforce practice and environmental excellence awards.

These practices have stayed with the company as it has gone through numerous major transitions. In 1989 it was purchased by Curtice Burns Foods, which in 1997 became Agrilink Foods that merged Tim's Cascade with Erin's Gourmet Popcorn of Seattle in 1999, and then became Birds Eye Foods in 2003. In 2005, Tim retired and took over his family orchard. Birds Eye was purchased by Pinnacle Foods in 2009.

Today the company is led by Jeff, now serving as General Manager, with a close knit, diverse workforce of more than 80 employees who take immense pride in making the unique, kettle style chips and quality snacks Tim's has become known for. Some of their most recognized products include Tim's Cascade Style Potato Chips, Hawaiian Kettle Style Potato Chips and Onion Rings, and Erin's Gourmet Popcorn.



Results - Company Growth

From a small, one-route operation, the company's distribution area has grown to include 11 western states, plus Hawaii and Alaska, and export markets of Canada, Japan, Taiwan and South Korea. Local independent grocery suppliers and major chains include Costco, Walmart, Safeway and Whole Foods.

Profits have increased and sales doubled within the last 5 years. Human Resource manager, Dana Lajiness, attributes that success to training, primarily on-the-job training. Every employee is cross-trained in several positions.

They measure their success primarily by their increasing market share, which has become much bigger than the founders' original plans.

By tracking monthly and year-to-date sales by flavor and by brand, the company has grown production at a steady 10 to 15 percent per year. They feel confident that the growth can continue into the future. To foster sales growth all along the West Coast, they look for additional distribution managers for route systems.

In discussions with potential buyers, Tim Kennedy showed them his ideas for making the Tim's brand stronger and for line extensions to other flavors.

Employees set goals each year for an annual Team Rewards bonus. They measure productivity based on increase in pounds produced per labor hour, quality by decrease of pounds re-worked, and safety by decrease in incident rate. Put all those

together, and Tim's productivity has improved 6 percent over the last 3 years. Quality audit scores increased by double digits.

Measures of Success

- * **65 percent of employees shed more than 235 pounds in a 12-week wellness challenge.**
- * **Production is growing 10 percent to 15 percent per year.**
- * **Productivity improved 6 percent over prior 3 periods.**
- * **Turnover declined from 17 percent in 2002 to 12 percent in 2011.**
- * **10 percent of employees have been with Tim's 20 years.**
- * **Accidents are down 9.4 percent over a 5-year period. Safety Score improved 16 percent from the prior year.**

"Competition is fierce. We need every fighting chance. We forge ahead by embracing the personal and professional growth of our employees by coaching, mentoring and teaching them. It becomes a win / win scenario. To be a part of that process is truly amazing and rewarding."

-Dana Lajiness, HR Manager.

Results - Employee Enrichment and Safety

Employees helped by generating more ideas every year for new employee involvement programs, such as providing breakfasts after they complete an early-morning community support activity.

As a result, turnover has declined from 17 percent in 2002 to 12 percent in 2011. Some 10 percent of the employees have been with Tim's 20 years out of 25, 23 percent for 10+ years and 18 percent at 5+ years. More than half have been with the company more than five years.

Absenteeism has been relatively flat, but the company encourages employees to stay home if they are not well. This logic is not only in support of the personal health of employees, but also because of the food processing environment and responsibility for food safety.

Based on number of hours worked per accident, the company has improved by 9.4 percent over a 5-year period. The safety audit score increased by 16 percent from the prior year. Employees from every department on each shift take part in monthly safety team meetings and conducting audits.

Productivity per labor-hour was better than that of their competitors, Kennedy said. He said it took fewer people to put out more chips, because of supervisor involvement. "Everybody pitches in and that helps with our output."



OUR MISSION

At Tim's, we create products that are exceptional and unique. We value and respect all of our customers, employees and business partners while maintaining profitability and growth for the future.

OUR VALUES

Teamwork
loyalty, respect, fun, diversity, communication, life balance

Innovation
uniqueness, quality, creativity, entrepreneurship

Motivation
responsibility, pride, work ethics, competitive edge

Service
customer focused, reliability, integrity, social responsibility

Our Passion Is Snacks

Tim's Cascade Mission Statement

Results - Career Advancement for Front Line Workers

Tim's believes in promoting from within the organization. Currently, six salaried employees out of a total of 20 came up through the ranks to fill these advanced positions. All positions are posted internally before being posted to the public. Employees who refer an applicant who gets hired are eligible for a referral bonus.

Tim's strives to let their employees know the value they bring to the organization; that without them, there would not be a successful Tim's. It is all about employees who are engaged, feel a sense of ownership in a company that makes products they can always be proud of. This is critical to their success and overall competitive strategy.

Examples of employees advancing:

- Richard Nixon, 2nd Shift Supervisor, started with Tim's 22 years ago as a fryer in production.
- Tim's 3rd Shift Team Leader was promoted from a machine operator position.
- The Purchasing Manager began as a packer in 1988.
- The Human Resources Manager started as the receptionist in 1988.
- Sales administrative employee promoted to Sales Manager, Club Business in 2009.
- Jacob Hill, (photo on front) was a special education student when he started at Tim's, became a full time employee, and was recently promoted to spicer operator, a highly responsible position.
- Several others started as packers and have been promoted to QA Technicians.

Tim's also actively works with employees to find a new place in the company when operational changes affect jobs. The company believes the on-the-job training program is the most financially sustainable in that it builds a strong team that can work together. Employees share their knowledge and strengths, recognizing achievements to enable success of both employees and company.

"Investing in our employees and their future by mentoring, teaching and coaching, we have found results in ownership, increasing production and efficiencies. Promoting from within the organization has lowered our training costs and decreased turn over. Establishing a culture of pride and appreciation results in better job satisfaction and less absenteeism."

-Dana Lajiness, HR Manager.



Company Practices Reward Their Employees

Kennedy and Leichter knew that building the business meant creating a team who felt like owners of the company, understood the importance of supporting neighbors, and looked out for the community. The company promotes this attitude in their mission statement:

"Tim's creates products that are exceptional and unique, with value and respect for customers, employees, and business partners while maintaining profitability and growth." – Mission Statement.

That value and respect recognizes that all the employees are critical to the company's success. The company accomplishes this mission by abiding by certain core values, each with distinct attributes:

- **Teamwork** (loyalty, respect, fun, diversity, communication, life balance)
- **Innovation** (uniqueness, quality, creativity, entrepreneurship)
- **Motivation** (responsibility, pride, work ethic, competitive edge)
- **Service** (customer-focused, reliability, integrity, social responsibility).

Periodic performance appraisals chart individual employees' progress in achieving these values, using metrics like having effective communication skills, taking initiative to help others, developing the ability to cooperate in a team, and keeping the work environment safe and clean.

All employees are encouraged to communicate with managers through an open door policy to meet with them at any time to contribute ideas for continual improvement.

"We want our employees to know the value they bring to our organization; that we are only great, because they are great," says Leichter. "This is critical to our success and overall competitive strategy. We are dedicated to engaging the personal and professional growth of all our employees."



Production and Scheduling Team

Morale and skill boosters build employee satisfaction and loyalty

Community Involvement

Tim's supports community projects by donating products for events, sponsoring sports teams employees are involved with, and providing product and cash donations to many major national charities as well as to the local food bank and homeless shelters.

Example: during the winter of 2010, they received a call from a shelter needing coats. Within a few hours, employees had collected enough money to purchase all the coats requested.

Walls are covered with framed pictures of the sports teams, the rallies and races and many community events Tim's has sponsored. Having a packaged product like Potato Chips and Popcorn makes it easy for Tim's to contribute and they do it generously.

Employee Recognition

Recognition includes profiles and praise in the company's bi-monthly newsletter and an annual dinner celebrating employees' years of service at Tim's. Once a month the company holds a celebration for all employee birthdays.

Employees and their families enjoy the annual picnic with games and cash prizes, plus Spring and Fall barbecues when management cooks and serves burgers to the employees. At Thanksgiving, each employee receives a turkey and at Christmas each employee is treated to a luncheon and a ham with a personal Christmas card.

Workplace Safety

Tim's provides safety education including forklift training, proper lifting, chemical usage, lock out tag out, evacuation drills, fire and electrical safety. Additionally, employees can learn CPR and first aid. Line employees make up the Safety Committee that meets monthly to discuss any workplace incidents, make new safety suggestions, and conduct their own monthly plant inspection.

Wellness Programs

Tim's sponsors programs every year that promote healthy eating, physical activity and weight management. They offer prizes to encourage participation. In 2009, more than 65 percent of the employees participated in a 12-week challenge and shed a total of more than 235 pounds.

Medical benefits include free counseling, legal services, and child/elder care information and resources. They also have a 24 hour toll-free health coaching line.

Every fall, Tim's holds a Health and Wellness Fair where each employee is given an hour during their scheduled work day to attend and meet more than 15 health care professionals, receive flu shots and health screenings, and, some even get a free chair massage!

Talent Development

Language support

Many Tim's employees do not have English as their primary language, so the company brought in and funded a World Vision program for English as a Second Language on-site and continue this on an as needed basis for employees and staff. They give paid time off for employees who attend.

More than 90 percent of the people who needed the lessons signed up, including many of the supervisors. That came to about 15 employees, who also learned to understand the many cultures represented: Tagalog (Philippines), Italian, German, Spanish (three different dialects), Vietnamese, Croatian and Slovakian.

Not only does this mix make for a rich cultural environment, Leichleiter says, "It's great for a potluck!" He adds that everyone learned from each other, as well as from the course, which covered culture, body language, and communication in general.

Special education and Special Needs

The company works closely with the Auburn School District Community Lab program, which allows special education students the opportunity to acquire hands-on job skills while sampling a variety of entry level positions. Jacob Hill, the first program student who came to work at Tim's became a full time employee, and was recently promoted to Spicer Operator - a position of great responsibility.

Tim's maintains a special relationship with Vadis NW, a local non-profit organization that finds employment for people with mental, physical or developmental

disabilities. Tim's Cascade has a continual outreach to Vadis to bring in individuals, train them, and place them, if possible.

For example, Herbert Nash (pictured, below) came from Vadis more than three years ago. He has been diagnosed with autism, but the malady gives him a special incredible ability to remember addresses, so Tim's placed Herbert in the role of running the packing and shipping of their on-line orders. Herbert loves his job and is a dependable and proud employee.

Vadis honored Tim's in 2008 with their Employer of the Year Award for workplace diversity. Tim's currently has three employees who came from these programs, one from the Auburn program and two from Vadis.



Herbert Nash, Shipping

Vadis

For more information on Vadis, visit
www.vadis.org

Commitment to company core values leads to promotions from entry-level jobs



Employee Profile: Richard Nixon, Production Supervisor

Richard Nixon found his job at Tim's through a temp agency. From his first job stirring chips, Richard showed his initiative for increasing productivity on the line. When a job was posted for warehouse supervisor, he applied. Because of Richard's good attitude, Tim's promoted him, and gave him training, coaching and mentoring in so that when a job as 2nd shift Production Supervisor opened, Richard was ready for that next step into a key position. He is a great example of a proud and engaged employee

Employee Profile: Anna Szelachowski, Forklift Driver

Anna Szelachowski, a packager, had never driven a car. Nor did she ever want to learn to drive. In addition, Anna lives by the core belief that she has to do things perfectly, no exceptions. This underpinned her excellent work results, but hampered her willingness to try new things.

Her supervisor, Richard Nixon, had learned through his training at Tim's how to recognize Anna's strengths and fears. He knew that Anna would need unique support to pick up new skills, especially one as forklift driver. He encouraged her to learn this new skill. Anna is very proud of being a forklift driver.



Anna Szelachowski, Forklift Driver

Commitment to Training – *Reach Your Peak* Program

Employee Benefits - Reach Your Peak

For specialized training, Tim's employees can take the Pinnacle Foods Online Learning Program. Launched in 2011 with a video series '*Reach Your Peak*', this suite of learning tools helps employees develop knowledge and achieve their personal performance goals.

There are at least 26 different courses on topics including "*Interacting with Others*", "*Business Writing*" and "*Leading an Effective Business Meeting*". Examples of more specialized courses include "*Planning Your Field Sales Approach*" and "*Overview of Logistics Management*".

To determine what an employee should take, a competency development guide has been created. This guide helps managers track their staffs' interests and developmental needs and work with the employees to determine a learning plan. Thus, the learning plans can be designed to be as unique as the employee.

In addition to Pinnacle Foods resources, employees often attend company-paid educational workshops and seminars. Recent workshops have included the NW Food Processors Sanitation Conference, OSHA, Quality Food Safety, HR and computer trainings. Managers see improvements right away, particularly in the production environment.

Management Training

In 2009, managers and supervisors attended a three-month leadership training. This leadership training is critically important to ensure all staff treat employees with an 'owner' attitude. This is provided frequently.

Lean Manufacturing

In May of 2010 the organization received Lean manufacturing training. Recently, after conducting Lean manufacturing training, employees were immediately putting what they learned into practice (root cause analysis, 5 why's). This is measured through efficiency identified in the weekly plant performance matrix. By seeing the weekly performance goals and actuals, every employee knows that their contribution is critical to the company.

Benefits - Adding automation while retaining people

As one example, when Tim's automated their packaging and palletizing lines. Everyone had an opportunity to apply for new jobs and learn new skills. Company managers wanted to make sure no one would lose his or her job. And they succeeded. Not one person lost a job, even though, as one example, automation eliminated the need for a packer, but created a need for a different job - forklift driver.

Benefits – Continuing Education & Training

Tim's Cascade Snacks maintains an on-site training initiative that offers employees the opportunity to improve their skills and take advantage of new opportunities. This training allows employees to operate and work on all production lines. This gives them and the company flexibility to maintain high quality and predictable output per hour. Employees assist in training new hires and quarterly trainings for all employees.

Continued education is encouraged and reimbursed up to \$4000 per year for job related courses.

Tim's Values Extend Beyond the Company

Company, family and community values operate throughout their supply chain starting with suppliers and extending through to employees, owner-operator distributors, retail outlets and consumers. These stakeholders feel and behave as part of a larger Value Chain, one which every participant supports and knows depends on all the others.

Tim's continues to live by the philosophy the company started with: Ownership as an attitude. The company buys more than 80 percent of its potatoes from local farms. The farmers pictured at the right are just one of the suppliers with whom Tim's has a very win/win relationship.

The Fazio family operates their farm business with a philosophy like Tim's. Their family support their low income employees by providing training, family and community support and promotions. In fact, Fazio Farms offer free on-site housing for many of their employees.

The value chain members work together philosophically and economically. Tim's also buys materials and equipment from local vendors and manufacturers and their entire distribution network is made up of independent owner-operators.

As the name became synonymous with good chips, Tim's packages are easily recognized and treasured as a locally-owned business. Their export business is a substantial element in their economic stability. Selling to Taiwan and other Asian countries also has been a big factor in Tim's success.

Building Language Skills

All employees enjoy many benefits that not only recognize their contributions to the company in the form of in-house promotions, but also improve their own personal quality of life. Better language skills, social skills, health and wellness assistance and mutual respect help them at home with their families and at work.

Programs that have earned awards from the Association of Washington Business include the company's onsite English as a Second Language program and the work they did with the military veteran community.



Fazio Farm
(Supplier to Tim's Cascade)

Benefits at a Glance

The company offers a wide range of benefits to all employees, including a corporate match to a percentage of 401(k), vacation, health, dental and vision benefits, life insurance, short and long term disability, just to name a few. Cash bonus is provided for meeting Team annual goals of production, quality, and safety.



As a subsidiary of Pinnacle Foods, Tim's Cascade employees also have access to their LiveLife program. This is a comprehensive life management program offered at no cost to the employee and his or her family, featuring tools and resources to address four core areas: health, work/life balance, finances and safety.

LiveLife Benefits

LiveLife Well

- Health Coaches
- Expectations Maternity Management
- Chronic Condition Management
- Health Assessment
- Wellness Event
- Online Support and Tools

LiveLife Balanced

- Health Advocate
- LiveLife Assistance Program
- Time Away from Work
- Tuition Reimbursement

LiveLife Wise

- Credit Counseling
- Debt Management Plans
- Housing Counseling
- Retirement Education
- Benefits for Added Financial Security

LiveLife Safe

- Safe at Home Program
- Great Outdoors Safety Program
- Safe Workplace Program

From www.pinnaclelivelife.com

Best Practices Awards

Just two years after the company started Tim's chips was named "the best potato chip in Seattle", the first of many major awards. In addition to awards recognizing product taste, Tim's has received numerous distinctions for their best practices for employees, the community, and the environment.

In 2008, Washington CEO Magazine named Tim's one of "Washington's Best 100 Companies to Work For" and in 2011 Tim's received a "Better Workplace Award" from the Association of



Washington Business (AWB) for the mid-sized Job Training & Advancement category. They received the AWB award for notable cross training programs that aim to provide new skills and greater opportunities for advancement, and AWB has previously honored Tim's in 2003 and 2004 for outstanding workplace practices.

The company has also won several Environmental Excellence Awards for water conservation, packaging reduction and a ten-year Continuing Environmental Commitment.



2011 AWB Better Workplace Awards (from left to right: Tom Lemly (Davis Wright Tremaine LLP), Washington Gov. Chris Gregoire, Dana Lajiness (Tim's Cascade HR Manager), Jeff Leichleiter (Tim's Cascade General Manager), and Lynn Townsend-White (AWB Board Chair))

Photo: Daniel C. Brunell, Association of Washington Business

Project Background

For more information contact rmarshall@nwfpa.org

Northwest Food Processors Education & Research Institute (ERI) received a generous award from the Hitachi Foundation to produce a mutually beneficial research and dissemination project. The project is tasked to discover instances wherein innovative practices benefit both business values and provide economic opportunities to low-wealth employees (lower than \$40,000 per year - This is the definition of a Premier Employer). Through this project, case studies of Premier Employers from the Food Processing industry are written and disseminated in a variety of media. This is part of a larger subsector approach to Premier Employer identification, investigating industry-by-industry, sector-by-sector, and region-by-region.



Special Thanks to

Dana Lajiness, HR Manager, Tim's Cascade Snacks, Pinnacle Foods
Jeff Leichter, General Manager, Tim's Cascade Snacks, Pinnacle Foods

Writers

Rosi Marshall (ERI), Tom Strong (Hitachi Foundation), Scott Waggoner (ERI)

Photography

Rosi Marshall, ERI: Cover, Page 3 (Photo), 4, 5, 7, 8 (Upper), 8 (Lower),
Tim's Cascade Snacks/ Pinnacle Foods: Page 1, 3 (Chart), 11, 12
Daniel C. Brunell, Association of Washington Business: Page 10

About the Hitachi Foundation



The Hitachi Foundation is an independent nonprofit philanthropic organization established by Hitachi, Ltd. in 1985. Their mission is to forge 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



Under the leadership of the Northwest Food Processors Association, the 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.