



VIRTUAL KNOWLEDGE SERIES



Monday 29th June: 6:00pm – 7:00pm CEST:

Frontline Workers: What's the Winning Approach?

Peter McGuinness, President, Chobani

Darrell Jones, CEO, Save-on-Foods

Tom Heinen, CEO, Heinen's Fine Foods

Anu Gupta, COO, Jyve

Moderator: Wai-Chan Chan, The Consumer Goods Forum

Wai-Chan began the session by going over the topics that the Virtual Knowledge Series has covered so far, such as the macro-economic impact of COVID-19, consumer behaviour, sustainability, and so on, and now frontline workers. He then introduced each of the four speakers, who represent both manufacturing and retail, and started the Q&A session off with a question for Peter McGuinness, President at Chobani, asking Peter what the most surprising thing he learned during the crisis has been, both about the industry in general and specifically regarding Chobani.

Peter responded that he, in essence, learned “everything” because no one has experienced a crisis like the COVID-19 crisis before. In terms of the most important thing he learned, he said that he and his team at Chobani had to ask themselves: what is vital and what is essential to our business? And what was essential, for them, was that they needed to make and ship products on time, they had to keep their workers safe and supported, and they had to do some good in the world.

Responding early and rapidly to the crisis helped them fulfil all of these needs - Chobani implemented thermal imaging and temperature checks on 10th March and masks shortly thereafter, paid for childcare, gave workers free food for lunch and dinner, gave bonuses to frontline workers, held weekly town halls, and donated to food banks. All of this not only kept their workers safe and helped relieve some of their stress, but also helped to motivate them - he pointed out that workers feel proud when they're making products that are going to food banks. He commented that the industry should keep in mind that we're all being “figuratively recorded” right now, and that after this crisis is over, brands will be remembered by how they behaved, and they should each be doing their part.

Wai-Chan then asked if Peter believed that there was something unique to the culture of Chobani, a “North Star” that leads them in the right direction when it comes to responding to a crisis like this. Peter claimed that the way Chobani responded to COVID-19 was “instinct,” not something that had to be debated and deliberated on, stating that “doing good is not a department, it's either in your veins (as a company) or it's a check-the-box thing, which isn't good.” Since Chobani was doing similar things (such as



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donating to food banks) before the pandemic happened, their response felt as if they were simply building off of what they had done before, rather than “inventing” something new.

Finally, Wai-Chan asked if Peter thought that COVID-19 has fundamentally changed how food will be manufactured in the US. Peter said that he believes that it will change, and for the better, stating that the industry at large seems to have realised that being extra cautious (such as by having extra cleanings, extra sanitation, etc) will never be a bad thing, and that Chobani plans on keeping masks for the foreseeable future.

He also observed that many seem to have realised that while working from home five days a week isn't ideal, it also not entirely necessary to be in the office five days a week. Peter believes that some sort of mix between virtual and physical works and meetings will be much more common going forward. Overall, he said that while this situation has obviously caused a lot of stress and anxiety, good will come of it, and that it will allow an opportunity to build better long-term policies and procedures.

The next question was directed at Darrell Jones, CEO of Save-on-Foods. Wai-Chan noted that while frontline workers have gotten a lot of attention during this crisis, other workers such as warehouse workers haven't gotten as much of the spotlight, and asked Darrell if his company was doing anything to handle this disparity.

Darrell stressed that, while frontline workers are obviously vital because they're there with customers everyday, they also recognise that the people working in warehouses and meat plants behind the scenes are every bit as critical. His company implemented policies for everyone, such as bonuses, condensed work days, and getting as much information about the virus and how the situation was developing as possible to employees so that they would feel as safe as they possibly could. The biggest thing he learned was that “we're all in this together,” and the industry has to work together to provide for the needs of their customers.

Wai-Chan then asked if employees' relationships within stores or distribution centres have changed, given the nature of the virus and the fact that you can't be certain if a fellow employee is sick or not. Darrell, however, thought that team members have become closer than ever before, stating that getting products to customers in a timely fashion required employees to have closer relationships with people working in the warehouses, so they would know when the next shipment was going to come. They were also forced to go to smaller, more local suppliers, rather than relying on bigger supplies that are located across the country, which meant building a closer relationship with suppliers as well.

Wai-Chan then asked Darrell about his company's meat plant, and whether they have any contingency planning around the plant. Darrell said that this was one of their biggest concerns early on, and they immediately implemented testing, temperature checks, social distancing, and so on, and that while these changes slowed down production, their number one concern was the safety of their team members. He emphasised that, across the board, if your workers feel as though you're doing everything you can to protect them, they'll be more willing to come in to work and to take care of your customers.



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Wai-Chan then moved on to Tom Heinen, CEO of Heinen's Fine Foods, observing that as a more upscale chain, customer service is an important component of Heinen's business. He asked if that has changed in any way due to the virus; has it backed off in some ways or remained the same?

Tom replied that Heinen's made the decision early on that if people were uncomfortable with coming in to work that they would not be forced to, offering employees personal leave while maintaining benefits, and implementing in-store policies to make employees feel as safe as possible, such as shields, social distancing, masks, wellness checks and being strict on occupancy levels. This was one of the best things they did, he said, because if people don't want to be there, it's difficult for them to offer the customer experience that's needed. He also stated that at this point, employees have adjusted to the new normal of wearing masks, interrupted supply chains, and anxious customers.

Following up on this, Wai-Chan asked if Tom felt as though all of the changes they had made in-store were going to stay for the long-term, or if they'd go away over the next couple years. Tom responded that he doesn't think these changes will go away entirely, as the crisis has brought a new awareness across their associate base and an elevated element of personal health and safety. He envisions that there will be some sort of associate wellness programme that will come out of this, directed towards helping people understand how to manage viruses and outbreaks.

In response to a question about what he has learned about his leadership style and leadership in general, Tom stated that his company is built around the idea that the most important thing they can do is ensure that their associates love working for them, saying that if you can get the majority of your people to come in to work loving working there, most other things take care of themselves. He doesn't think that the crisis has changed much about how they lead, but has added an additional dimension of what to focus on, which is that people need to feel safe. They've never gone through a crisis situation like this, and in crisis leadership you need to be able to make a quick decision and move on when there are new challenges every day.

Over-communicating is also essential - letting employees know what will happen if there's a positive test, what the CDC guidelines are, and so on. He also learned that you can't always depend on the medical community to have all the answers, as this crisis was as much a mystery to them as it was to everyone else.

Finally, Wai-Chan directed his next few questions at Anu Gupta, COO at Jybe. He asked Anu whether she feels that workers' motivation for going to work has changed.

Noting that we are living in "paradox" where half of us are "luxuriating in this myth of shared sacrifice, working from couches," while others are having their lives and livelihoods directly impacted, Anu stated that while what motivates workers hasn't necessarily changed because of the COVID crisis, it has made it more important than ever to understand workers' motivations. She broke these motivations down into two broad categories - job control and social support.



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Job control essentially means that workers have an element of control over where and when and how much they work, which in turn leads to lower stress since they control their job, not the other way around, and thus have a level of flexibility to manage the rest of their lives. Social support is based on the idea that people want to feel like they're making a difference in their communities and have the support of those around them. She described this as the feeling of being needed, stating that the self-worth that comes from this feeling is enormous. The work done by people now classified as "essential workers" may have been overlooked before, but is now being recognised as important, and many are saying that it feels good to have their work be appreciated. Just saying thank you has meant a lot to people.

Wai-Chan's next two questions both focused on the reasons why people may be motivated to take a job or not, especially in the context of the pandemic - are there differences by region, by demographic, and will employees be picky in the future about where they go?

Anu replied that of course, everyone has different reactions and needs during the ongoing pandemic, based around their medical needs and overall comfort profile as an individual, which makes predictability and flexibility more important than ever. Going forward, she agreed that employees will be pickier about where they seek out their jobs, and that she believes job control (as previously described) will become essential, as people want to have an element of ownership over their job.

Moving into the last segment of the conversation, Wai-Chan stated that all of the speakers have gone out of their way to look out for employees, and asked if they think that the "verbal contract," or the norms that are expected between employer and employee will change fundamentally in the future.

Peter responded that both employees and employers have increased their expectations of each other. He emphasised the importance of employer and employee relating and empathising with one another - during the pandemic, we've all had to trust one another to get the work done, and he wants that trust to remain after the pandemic is over.

Tom echoed Peter's emphasis on trust - he sees the pandemic as a "test of maintaining and securing trust with associates," since employees are essentially putting themselves at risk by coming into work, and so far believes that they've passed that test and even deepened that level of trust. Both Peter and Tom stated that liberal leave policies, even during normal times, are a big part of how you build trust and comfort among employees - if you give people the benefit of the doubt, you'll be surprised.

Anu thought that the "contract" between employers and employees has remained essentially unchanged but liked the talk around increasing trust. She reaffirmed that how you show up now will inform how people perceive you going forward, noting that they gave two weeks of financial assistance to workers diagnosed with COVID, which supports both the workers and the community at large by allowing these workers to quarantine instead of working.



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Agreeing that he didn't think the "contract" has changed much for his company, Darrell also echoed the importance of trust, stating that trust is a part of the core values his company has been running on for 105 years. If you have these core values, and everyone throughout the organisation understands them, believes them, and lives them every day, they will get you through anything, even a pandemic. At the end of the day, it's about people working together, whether it be a supplier, team member, organisation, retailer, wholesaler, manufacturer - the more we're together, the better off we are.

To wrap up the session, Wai-Chan said that he had picked up on some common words and phrases being repeated throughout the session, such as "trust," "empathy," "together," "being judged today for what we do," and "do the right thing." He asked if each of the speakers could give one word or phrase to summarise their thoughts and feelings on the situation.

Darrell: Trust your customers, take care of communities.

Peter: In perpetuity. We should have been doing these things all along.

Tom: Do the right thing. When in doubt, do the right thing. What changes is what that means. Doing the right thing during the pandemic is different, but it's about transparency and keeping people safe.

Anu: Listening. Listen to frontline individuals. Their work is essential and hard, whatever we can do to make it easier is very important.