

2014

# One World Enterprises: Sustainable Business Development Plan

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## Executive Summary

Over the past 30 years, One World Enterprises (OWE) has expanded its business from its first handmade pizzas (now Pizza X) to include a portfolio of businesses: Lennie's Restaurant and Brewpub, Bloomington Brewing Company (BBC), One World Catering & Events, and, most recently, Loesch Farm. Co-owners Jeff Mease and Lennie Busch have built and managed the business with a focus on quality products and service, and with the vision that financial sustainability can go hand in hand with nurturing the wellbeing of its employees and the community as a whole. In the spring of 2014, our team partnered with OWE to discover how the company could further enhance its commitment to "people, planet, profit." Based on Lennie and Jeff's vision, OWE has already established a number of practices that look beyond profits, including open-book management practices and green restaurant certification for Lennie's. We have identified several key areas where OWE can enhance the programs and processes already in place, including environmental sustainability, open-book management, triple bottom line accounting, a sustainable business model, and education and outreach.

One overarching recommendation for improving performance in all areas is to establish a baseline for goal setting and measuring progress. OWE should develop a standardized and efficient process for data collection on key financial, environmental, and employee satisfaction indicators. We recommend that OWE establish processes for tracking energy and water use, employee and customer satisfaction, and non-monetary indicators of success such as employee turnover. Armed with this information, managers can better identify opportunities for improvement, integrate non-financial indicators into accounting frameworks, engage employees in pursuing the social and environmental goals of OWE, market OWE's unique practices to the wider community, and educate other business owners.

OWE strives to be environmentally conscious in all of its businesses and has implemented extensive sustainability practices including universal composting, reuse of spent grain, and striving for the green restaurant certification. In this report, we focus on assessing environmental sustainability aspects of Bloomington Brewing Company (BBC) with the intention that recommendations and findings can be scaled up and applied to other OWE businesses. By collecting data on environmental indicators, managers can identify opportunities for reductions in energy and water use, monitor progress toward sustainability goals, and integrate the data into practices and documentation for employee engagement and marketing. Sustainable packaging can provide substantial waste and energy reductions and we recommend that BBC use a mix of packaging options with an emphasis on kegs, larger glass bottles and growlers, and simultaneously work to minimize transportation distance and maximize reuse rates. We recommend that BBC continue to use available local sources whenever possible and steward relationships with local farmers, with the ultimate goal of sourcing ten percent of hops and grains locally. In terms of brewery waste, spent grain can be used for multiple purposes within the OWE family of businesses, reducing requirements for virgin resources. In addition to energy reductions in the brewing facility itself, we recommend that OWE follow best practices in maintenance of equipment to ensure peak efficiency and, if the brewery expands, purchase the most efficient equipment available on the market. We also strongly recommend that OWE consider the installation of a solar thermal water heating system to reduce both its environmental impact and utility expenses.

We further recommend that OWE continue its ongoing implementation of open-book management, in which financial and operational information is shared openly with employees. Based on employee responses to an in-depth survey and in focus groups conducted in March of 2014, OWE has achieved many of its goals for the system. In addition to substantial employee satisfaction, OWE employees appreciate access to financial information and find the information important for their work. Our examination of management theory and case studies confirm that companies that implement open-book management tend to experience growth in sales, increased engagement and innovation from employees, and decreased conflicts between managers and staff. In order to further enhance employee engagement and understanding, we recommend that OWE provides its employees with additional education on financial statements, place its financial measures and tracking in prominent places in each business unit, increase staff involvement in setting goals, and measure success by putting employees in charge of financial line items. We also recommend that OWE incorporate social and

sustainability indicators with the open-book management system to engage employees on issues beyond the financial bottom line.

OWE requested that we explore alternative accounting frameworks to incorporate business outcomes beyond financial data. Based on our research, we recommend that OWE implement triple bottom line accounting in its business units. The triple bottom line accounting framework measures an organization's social and environmental impact as well as its financial performance using the three P's "people, planet and profit." We recommend that OWE incorporate the following social and environmental indicators into this accounting: energy use, waste, local sourcing, conditions of work, community impacts, and product safety. Within this context, we recommend that social and environmental performance targets be set alongside business units' financial goals. Our research reveals that the system may result in cost savings from efficiency improvements, reduced turnover rates, and result in positive effects on a company's reputation. However, there are significant costs in terms of time and resource in collecting non-financial data.

OWE prides itself on ensuring employee satisfaction and encouraging engagement. Our survey and focus groups reveal overall employee satisfaction, as well as a few areas for improvement. We believe that OWE will operate more efficiently if it implements a standardized employee training program and increases communication and cross-promotion throughout the company. We also recommend that OWE use employee and manager evaluation forms to better understand employees' motivations and concerns, and to encourage bottom-up innovation. We believe this practice will improve already high levels of staff engagement, satisfaction, and performance. We also recommend that OWE apply a number of tools for determining customer satisfaction including surveys and the Net Promoter Score. In addition, we recommend the establishment of a customer loyalty program, which would allow OWE to be more responsive to its customers.

OWE envisions sharing its sustainable and community-friendly business model openly with the public and other businesses, so that others can learn from OWE's experience. OWE can disseminate its knowledge by sharing its practices through formal and informal channels in an open source business model. Informal channels, including social media, networking with like-minded businesses, and an informative website could all be used to share best practices. We have also identified three formal models that OWE may find useful for teaching its unique organizational practices. The traditional workshop, webinar, and open source workshop models would provide OWE with an essential outlet for education and community outreach. We recommend that OWE develop a workshop based on a hybrid approach, incorporating the best aspects of these three models. We have created a preliminary framework for organizing such a workshop.

At the broader community level, we recommend that OWE continue its partnerships with local organizations and find ways to appropriately market the unique aspects of its business model – community orientation, focus on employee satisfaction, and green credentials – to capitalize on the interest of potential customers in supporting a business that looks beyond profits.

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## Introduction

For the past 30 years, OWE has rapidly increased their food-service oriented businesses, with the opening of Pizza X (renamed from Pizza Express), and other local favorites in Bloomington including Bloomington Brewing Company (BBC), Lennie's Restaurant and Brewpub, Loesch Farm, and One World Catering & Events. With a company vision to address "people, planet, and profits" in their operations, co-owners Jeff Mease and Lennie Bush, along with Director of Folks, Robin Lasek commissioned a team of 25 Masters students from the Indiana University School of Public and Environmental Affairs (SPEA) to create a Sustainable Business Development Plan to investigate how OWE can incorporate more sustainable practices into its business processes.

The following report contains on four sections, each of interest to OWE:

1. Bloomington Brewing Company (BBC) Environmental Sustainability: Provides research and recommendations for Bloomington Brewing Company's sourcing, energy, waste, and packaging. Explores the use of environmental indicators as a method to monitor environmental performance and how to utilize these indicators within internal and external communications.
2. Accounting Frameworks: Provides information and recommendations on the success and limitations of current use of open-book management in companies and at OWE. Provides information on triple bottom line accounting at companies and recommendations for incorporating triple bottom line accounting at OWE.
3. Business Model: Provides research on the open-source model as an alternative to franchising. Looks at employee satisfaction within OWE as an indicator for measuring business performance.
4. Education & Outreach: Suggests methods OWE may offer the local community to share knowledge of best practices in business. Suggests marketing strategies to be used in sharing information.

Each section contains research and key findings relevant to each topic. Recommendations in each chapter are presented, which fall either under a formal "Recommendations" header, or can be found bolded within the text. Following the report, the methodology for the survey referenced throughout the report, which was conducted by the team to collect knowledge from, OWE management and staff is presented. A summary of substantive recommendations is offered in the Conclusion section. Finally, processes, illustrations, and further information are provided in the Appendix and serve to substantiate both findings and recommendations noted in the report.

# Bloomington Brewing Company Environmental Sustainability

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## INTRODUCTION

OWE strives to continually enhance its role as a responsible member of the Bloomington community by minimizing its impact on the environment. The sustainability assessment focuses on the Bloomington Brewing Company (BBC) and its production processes. Some findings and recommendations, however, may be applicable to other OWE businesses. The following pages contain assessments of the environmental impact of BBC's sourcing, energy use, packaging, and waste. Within each subsection, recommendations are offered to eliminate or decrease environmental impacts, while maintaining economic sustainability. Finally, a management tool for tracking critical sustainability indicators is provided.

## Stages in the Beer Production Process



## SOURCING

BBC has a history of sourcing local organic ingredients for their line of specialty ales' flavorings, malts, and hops. By using local ingredients, BBC reduces the environmental impact of the production process by reducing travel and refrigeration time of ingredients. Organic ingredients are also more sustainable because they are produced without the use of pesticides or herbicides.

### Flavoring Ingredients

Many breweries use artificial flavorings in their beers, but BBC has successfully sourced unique, natural flavoring ingredients for a few beers from local sources. For the winter seasonal Java Porter, Brown County Coffee supplies locally roasted coffee. BBC brewed holiday favorite Persimmon Ale with 100 pounds of locally wild-harvested Indiana persimmons. Several other existing beers on BBC's menu could source local ingredients for flavorings from the producers listed below. For instance, the Blueberry Blonde Ale could use locally harvested blueberries from one of the many blueberry producers in our area. By using local pumpkin and maple syrup, BBC could

also make a new autumn favorite.

### Malts

About half of the malts sourced by BBC travel 398 miles by freight from Briess in Chilton, WI. The rest travels 226 miles via BSD Craftbrewing in Chicago, IL. Before reaching Chilton and Chicago, the grain travels countless miles from around the world. BBC orders monthly, meaning that each year, malts travel a minimum of 7,488 miles.

BBC occasionally uses local organic malts. For the first time ever in 2013, BBC brewed the Rye IPA with organic Indiana-grown rye from Herr Station Malt, located 72 miles away in Lebanon, IN. While few farmers raise grain in Indiana, there is one small-scale maltzer, Jeff Evard. Evard is willing to work with additional grain farmers like Fields of Agape cooperative and Ewenique Farm, who are both willing to custom-grow malting varieties. Fields of Agape is especially promising because they have an industrial farm with 1,500 acres transitioning to growing organic grain. The situation we hope BBC avoids is sourcing

## Southern Indiana Producers for Flavoring Ingredients

Farm	Owner	Contact	Items Available
Hazelbrake Farm	Keith Uridel	812-988-0579	Blueberries, raspberries
Lost Pond Farm	Pete Johnson	812-929-2219	Figs, maple syrup, lemon grass
Stranger's Hill Organics	Lee Jones	812-322-6732	Blueberries, pumpkin, watermelon
John A. Flynn	John A. Flynn	812-277-8680	persimmons, raspberries, pawpaws
Pope Family Farm	James Pope	812-876-1603	Blackberries, persimmons, raspberries
Seldom Rest Orchard	Marie Wagler	812-787-0296	Cherries, peaches, plums, apples

## Recommended Southern & Central Indiana Producers for Hops

Farm	Owner	Contact	Items Available
Rattlesnake Hollow Hops Farm	Kaleb Connel	812-936-2618	20-30 lbs. each Cascade, Pearle, Fuggle, Centennial, Mt. Hood, Nugget, Sterling, Horizon, Chinook, will custom-grow
Three Hammers Farms	Ryan Hammer	threehammersfarms@gmail.com	Chinook, Centennial, Cascade, Nugget, and CTZ

local grain that must be shipped far away for processing. Another option is to supply certified organic malts from national sources, such as the Seven Bridges Cooperative based in California.

Based on 2013 invoices, we estimate that BBC requires approximately 120,000 lbs of malts per year. We recommend that BBC work with the producers listed below to source 10 percent (12,000 lbs) of local malts a year, saving approximately 700 miles traveled. We must emphasize that this is completely realistic. Fields of Agape has 10,000 lbs of wheat in cold storage waiting to be sold right now, before the addition of 1,500 acres mentioned above.

### Hops

The vast majority of hops sourced by BBC travel 2,194 miles by freight from Yakima, WA, where it arrives after traveling additional countless miles around the world. BBC orders monthly, meaning that each year miles traveled amounts to a minimum of 26,328 miles.

BBC occasionally uses local organic hops as well. For instance, 50 lbs of organic, Bloomington-grown Cascade hops brought a piney bite to the 2013 Homegrown Ale. The hops came from OWE's own Loesch Farm, a short drive west of Bloomington. Local hops are also available from some newly established farms in Southern Indiana.

While supply for hops is limited in our region, we recommend that BBC and other local breweries reach out collectively to local farming coops such as the Local Growers Guild to express a demand. Based on 2013 invoices, we estimate that BBC requires approximately 2,000 lbs of pelletized hops per year. Rattlesnake Hollow Hops Farm is able to provide at

least 200 lbs of various hops each year in August. Although these hops are not pelletized, they have higher alpha-levels due to freshness. We recommend incorporating 10 percent (200 lbs) of local hops into production by partnering with Rattlesnake Hollow Hops, saving approximately 2,500 miles traveled.

## RECOMMENDATIONS

### Collaborate with Local Farmers and Breweries

We should note that BBC has been especially good at collaborating with other Indiana breweries to create new beers. For instance, FeastMaster 80 Shilling Ale was a brainchild of New Albanian Brewing Co. and BBC. Similarly, BBC commonly works with nonprofit agencies. In March 2014, Lennie's hosted a Girl Scout Cookie Sale and Free Beer Tasting. A portion of the profits from the Vision Weiss was donated to the Cardinal Stage Company. In sum, BBC is doing amazing things bridging private and nonprofit sector organizations. We envision BBC collaborating with local farmers to create a new beer for a local cause, locally dreamed and guzzled by all.

- Incorporate additional local flavoring ingredients into existing specialty ales.
- Host a meeting with local grain producers and Herr Station Malts to identify suitable varieties.
- Host a meeting with Local Growers Guild, Purdue Extension Officers, and nearby Farmers' Market administrators to express demand for local hops.
- Incorporate 10 percent Indiana grown malts and hops into production to save a minimum of 3,200 miles traveled per year.
- Create one completely organic, locally sourced beer each year with a percentage of proceeds benefiting a local nonprofit of OWE's choice.

## Recommended Southern Indiana Producers for Malts

Farm	Owner	Contact	Items Available
Fields of Agape	Anna Welch	765-914-0944	Barley, Wheat, will custom-grow
Herr Station Malts	Jeff Evard	317-442-4694	Indiana Rye, Fortune Acres Wheat, 6-row Barley, 2-row Barley, Sorghum
Ewenique Farm	Jenny Hoene	812-322-6732	Barley, Rye, Wheat, will custom-grow



## BBC ENERGY SUSTAINABILITY



Energy is a vital component of any brewery operation, and is a key indicator of sustainability. An analysis of BBC's environmental and fiscal stewardship should account for energy used throughout the brewing process. Not only does OWE pay for the electricity and natural gas that BBC consumes, but energy use also impacts the natural environment. Currently, electricity and heat generation in the United States largely depend on fossil fuel combustion; a process that releases air pollutants, carbon dioxide (CO<sub>2</sub>), and other greenhouse gas emissions into the atmosphere. The accumulation of man-made greenhouse gas emissions in the atmosphere over time contributes to global warming and climate change. Energy conservation, efficiency, and generation from alternative, clean sources are three means of pursuing sustainability in the energy domain.

BBC uses energy directly and indirectly. Each product used in the brewing process has "embedded energy" or in other words the energy required to make the product. Fuel use for product transport and energy needed to create bottles and cans are two examples of indirect energy use. BBC uses energy directly for two main functions:

- **Brewing Process:** All parts of the brewing process including milling, boiling, cooling, and cleaning require energy.
- **Facility Maintenance:** Functions like lighting, heating, and cooling the physical space of BBC operations require electricity and natural gas.

For the purposes of this assessment, we have focused entirely on energy consumption patterns and reduction measures associated with the brewing equipment and brewing process.

Brewing beer is not a flexible process in the short term and leaves little room for inexpensive and temporary energy savings. However, BBC could save substantial energy and costs by pursuing "low hanging" facility improvements and maintenance from increased insulation to lighting upgrades, so we strongly recommend that OWE expand the scope of its future

energy analysis plans to include the BBC facility, even if OWE catering occupies part of this space. On this note, our analysis depends on data reflecting energy consumption of the Brew2 facility which includes both BBC and the OWE catering operations.

Craft breweries around the United States are striving to reduce energy consumption as a means of achieving sustainability goals. In this assessment, we summarize best energy practices for small breweries and highlight examples of methods and technologies adopted by microbreweries around the country to reduce energy use and carbon emissions. Several publically available guides and tool kits have also been developed which specifically address sustainable energy practices in the craft brewery sector.

### Direct Energy Use of the Brewing Process

The beginning of any process to reduce energy consumption is the establishment of a baseline measurement of current usage and related CO<sub>2</sub> emissions. However, at this time, insufficient data is available to calculate an accurate baseline for the direct energy use of the brewing process. Utility bills for the Brew2 facility combine energy usage for catering, brewing, and office space; the intensity and time of use for each piece of brewing equipment is not available at sufficient levels of accuracy, and there is no monthly data available for beer production.

However, gathering these data points on direct energy usage going forward will be the first, and fairly straightforward, step in the move toward reduced energy consumption.

### Using Indicators to Track Energy Usage

The establishment of intensity indicators of energy use per barrel of beer (kwh/bbl) (energy intensity) and CO<sub>2</sub> emissions per barrel of beer (CO<sub>2</sub> intensity) (CO<sub>2</sub>/bbl) will allow OWE to measure the impact of their current energy usage, measure improvements in energy efficiency over time, predict the potential impact of new equipment purchases, and project energy costs



## Local Energy Audit Services

Company	Service	Website
Goals2Green	Commercial Energy Audits in Indiana	goals2green.com
Indiana Industrial Electrical and Air Inspections	Industrial Infrared Services	indianapolisinfraredtechnologies.com

based on increased production. Ideally, these intensity indicators include both direct (energy used in the brewing process) and indirect (energy used throughout the process including raw materials, packaging, waste, and transport) energy usage, and carbon emissions.

Calculating greenhouse gas (GHG) emissions is one way to determine the societal and environmental damage due to climate change caused by BBC's energy usage. (This accounting does not include other damages caused by pesticide run-off from fields or air pollution, but it is a starting point for identifying damages.) As with energy use, a complete accounting of GHG emissions would include the emissions from every part of the beer making process, from the growing of hops through disposal of bottles. A thorough GHG inventory would be resource intensive and time consuming to conduct, but a partial inventory (based on fuel, electricity, and natural gas use) should be fairly straightforward.

A decrease in the energy intensity indicator will demonstrate the impact of improving efficiency either through the purchase of more efficient equipment or adjusting processes to reduce energy use. Changes in the CO<sub>2</sub> indicator will reflect both improved efficiency and the incorporation of less emission-intensive energy sources (such as the use of solar thermal for water heating).

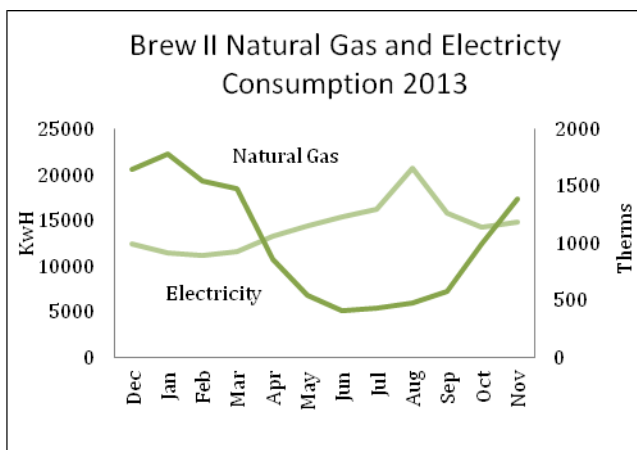
The table below provides a very basic example of two key intensity indicators that BBC could use to set

baselines and track progress towards conservation goals.

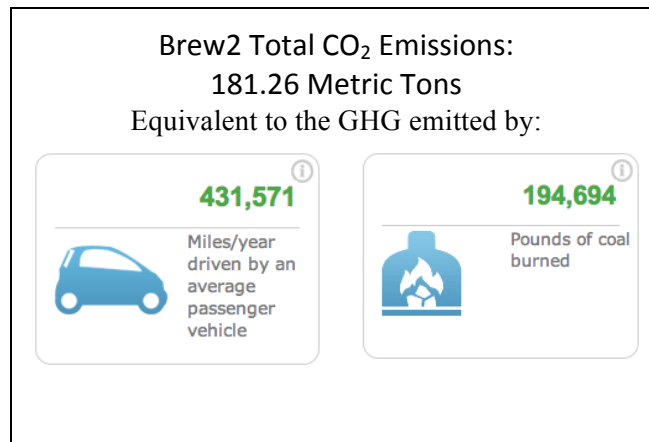
## RECOMMENDATIONS

BBC's energy use practices in the brewing process are the industry norm (steam capture, heat exchangers, composting of grain waste). Given the capital investment in existing equipment, the easiest and cheapest energy reduction measures are currently in the Brew2 facility itself. While the energy use of the facility is beyond the scope of this report, many of the procedures and recommendations of the green restaurant certification process being undertaken for Lennie's will be applicable to the brewery and catering facility as well. We recommend that OWE apply the same best-practice standards to the Brew2 catering, brewing and office facilities. Further recommendations for reducing energy consumption of brewing facilities are detailed in the reports recommended below.

However, BBC's plans for expansion provide OWE the opportunity to make decisions on equipment purchases and facility construction in the future that could have a substantive impact on reducing energy intensity of production in the future. For example, a new facility could incorporate Energy Star and LEED standards.



Source: OWE, 2014 Credit: OWE



Source: EPA, 2014 Credit: EPA

## Two Indicators for Tracking Energy and Emissions at BBC

Indicator	Units	Data Source	Frequency	Data Points	Calculation
Energy Intensity	kwh per barrel of beer (kwh/bbl)	Utility bills or energy meters Beer production records	Monthly	kwh electricity therms natural gas number barrels of beer	$(\text{Kwh electricity} + (\text{therms of gas} * 29.30011)) / \text{number of barrels of beer produced}$
Carbon Intensity	Carbon Dioxide (CO <sub>2</sub> ) per barrel (CO <sub>2</sub> /bbl)	Utility bills or energy meters Beer production records	Monthly	kwh electricity therms natural gas number barrels of beer	$(\text{Kwh electricity} + (\text{therms of gas} * 29.30011) * .00068196) / \text{number of barrels of beer produced}$

Note: Calculations for direct energy consumption only; does not represent the true energy or emissions intensity of a barrel of BBC beer

Source: Conversion factors from EPA, 2014

### Establish Baseline Energy Use Indicators

Prior to setting energy reduction goals and marketing progress, OWE should understand how much energy the BBC facility and brewing process use. We recommend four approaches for establishing a baseline, each of which has a different degree of accuracy and will require different time commitments from OWE.

- *Utility bills:* BBC can determine an energy baseline on very high-level data using utility bills. While utility bills capture aggregated energy use of the brewing and catering operations, they still present easy-to-read trends. OWE could use the energy intensity indicator table (above) to track utility data each month.
- *Portable energy meters:* OWE can also understand energy use at BBC by tracking the time in operation and energy used by each piece of equipment in the brewing process with a portable energy meter. For a general overview of portable energy meters available, we recommend visiting [powermeterstore.com](http://powermeterstore.com), but energy professionals can provide more specific recommendations.
- *Professional energy auditor:* To establish an accurate energy use baseline, we recommend that OWE hire a specialist to conduct a formal energy audit of BBC. An energy audit will determine energy use per piece of equipment, assess where energy losses occur, and recommend facility improvements that will improve energy efficiency at BBC. OWE can use the information from an energy audit to set energy reduction goals and plan future steps for energy reduction.

- *Hire a sustainability indicator tracking company:* OWE could hire a third party to establish the energy use baseline and track future use. Bloomington is home to one such company, Sustainability Dashboard, but companies around the country specialize in this service.

### Set Goals for Prioritizing Actions on Energy Reduction and Manage Progress towards Goals

Goals for energy reduction should be realistic within the confines of financial profitability. As noted above, reducing the direct energy consumption of the brewing process will be challenging, but reductions may be possible in the facility and through appropriate maintenance of brewing equipment.

#### Average Energy Intensity per Barrel of Beer American Large and Small Breweries

Indicator	Average Intensity	Cost
Electric Energy Intensity	12 to 22 kWh/bbl	\$1.08-1.98/kWh
Thermal (Natural Gas) Energy Intensity	1.3-1.5 therms/bbl	\$1.30-1.50/bbl
Combined Energy Intensity	50-66 kwh/bbl	\$2.38-3.48/bbl
Combined CO <sub>2</sub> Intensity	.034-.045 metric tons of CO <sub>2</sub> /bbl	

Note: Smaller breweries have higher intensity measurements

Source: Brewers' Association, 2014

The Brewers Association suggests the following steps to establishing realistic and achievable goals.

- Determine the baseline and the base year from which goals will be measured.
- Determine how the goal will be tracked with the employees who will be involved in implementing energy reduction measures.
- Review baseline data.
- Identify areas, projects, or changes for energy reductions (the supplementary materials noted above provide numerous specific suggestions for brewery equipment and processes).
- Determine how much savings are possible for each project over what timeline.
- Set the goal.

Example goal: By 2016, reduce energy consumption at the Brew2 facility by 5 percent from baseline year of 2014 as measured by absolute energy consumption and energy intensity per barrel of beer.

Achieving the goals set through the above process requires the ongoing involvement of management and employees in implementation of the projects identified above, in tracking progress, identifying and correcting areas where progress is not being made, and ensuring that reductions are maintained over time. A team of employees can be specifically tasked with encouraging and ensuring progress towards the goals.

### **Establish a Data Collection and Management System**

“The best-kept secret within the energy world is that the most important energy efficiency, conservation, or reduction opportunity that can be installed at a brewery or brewpub is an energy data and tracking program.”<sup>1</sup>

Why collect data on energy use on an ongoing basis? The data provide:

- A method for identifying where in the brewing process energy reductions can be made.
- A measurement of progress towards goals.
- A tool to keep management and employees informed and motivated.
- A way to integrate sustainability measures into triple-bottom-line accounting.
- A marketing tool for BBC’s green credentials and stakeholder recognition.

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<sup>1</sup> Brewers Association, 2014

- A useful input for business decision-making.

The most basic level of data tracking is the use of utility bills, as noted above. The next level of data collection breaks down energy use by task, for example, packaging, offices, refrigeration, etc., which allows for the specific identification of areas for focused reduction plans.

Example of a basic methodology for tracking direct energy usage:

- Determine whether energy use will be measured using utility bills or energy meters.
- Determine the appropriate intensity measure (kilowatt hours per barrel of beer produced, per barrel sold, etc.).
- Create a well-organized spreadsheet that includes the data points and formulas noted in the indicators section above.
- Determine who in the organization will compile the utility data and enter that information into the spreadsheet on a monthly basis.
- Determine how the resulting data points will be reported to relevant employees on a monthly basis and by whom (e.g. at managers’ meetings, employee huddles, recorded on a white board).
- Establish procedures for incorporating the data into decision-making processes.

Another option for data tracking is to hire a company to do the work for you. This may be more practical at the business-wide level, rather than for the brewery alone. Energy use data can be fed directly to the third party company, which then synthesizes the information to create easy to use graphics and trends information in an online energy dashboard. Such dashboards can serve as a tool to track progress towards goals, identify areas for savings, to engage and inspire employees, and act as a marketing tool. For example, Bloomington-based company, Sustainability Dashboard, can provide online tools that incorporate numerous data points including water and energy use and costs, trash costs and more. (Learn more at [green2sustainable.com](http://green2sustainable.com)) Lucid Design Group out of Oakland, CA designed Monroe County’s Energy Dashboard and specializes in designing software to track energy and water use in buildings. (Learn more at [luciddesigngroup.com](http://luciddesigngroup.com))

### **Ensure Proper Maintenance Regimes for Brewing Equipment**

The brewing process relies on the proper functioning of numerous pieces of equipment including motors and pumps. To ensure that these pieces of equipment use energy efficiently and to reduce unnecessary energy expenses, OWE should, at a minimum:

- Establish an equipment maintenance routine and schedule
- Inspect and clean motors regularly
- Increase insulation of steam pipes
- Tune boiler regularly (every 1-3 years is recommended)
- Identify and repair air and water leaks
- Replace all air filters regularly

While it is outside the scope of this report to detail specific maintenance procedures it is illustrative to look at the example of air compression. Leaks in compressed air systems are common and “in some cases will account for 30 percent – 40 percent of compressed air system,” thus requiring more energy because of the demand placed on the pressure system. OWE could easily reduce these unnecessary energy costs associated with leaking air compressors.<sup>2</sup>

A sample of a checklist for common air leak locations is provided by the Brewers’ Association manual, which also provides additional checklists for maintenance of other pieces of equipment used in the brewing process.

Common Leak Locations



Source: Brewers Association, 2014 Credit: Brewers Association

<sup>2</sup> Brewers Association, 2014

## Compressed air leaks – Energy loss and costs

Leak Diameter (inches)	Air Loss cfm	Energy Loss (kWh)	Costs (\$/year)
0.0625	2	0.4	320
0.125	20	3.7	2960
0.25	55	10.3	8240
0.375	221	41.4	33120

Note: At 85 PSI. Cost calculated by kW\*\$0.10/kWh\*8000 operating hours

Source: Adapted from Brewers Association, 2014

For more specific recommendations, brew masters and managers should refer to the detailed checklists, tools, recommendations, and detailed information on savings from improved maintenance included in the recommended resources below.

## Make Energy Smart Equipment Purchases

As BBC expands and requires new brewing equipment, we recommend that OWE purchase the most energy efficient models available, especially when it comes time to replace energy-intensive equipment like boilers and glycol chillers. Because technologies are constantly changing, we recommend OWE consult the Energy Star Guide for Breweries for specific equipment recommendations. Duke Energy, BBC’s current electricity provider, also has an

## Duke Energy Smart Saver Energy Incentive Program for Large Businesses

Type of Equipment	Incentive
Chiller/Thermal Storage	Base, Load, & Tune-up
High-efficiency pumps	Per Unit
High-efficiency equipment	Per Unit on process equipment including nozzles & duct insulation
Variable Frequency Drives	Custom incentive program

Source: Duke Energy, 2014

incentive program to help businesses purchase energy-efficient equipment, some of which is commonly used in the brewing process. Here are a few examples (not exhaustive) of how breweries have purchased new

equipment or modified existing equipment to reduce energy needs.

### Case Studies: Energy-efficient brewing equipment and modifications

#### Sierra Nevada Brewery

Installed a CO<sub>2</sub> collection/recovery system which reduces purchase of outside CO<sub>2</sub>, thereby reducing operating costs and emissions.

#### Ska Brewing

Buried their glycol reservoir to reduce exposure to high temperatures and reduce energy needed to cool glycol.

#### Odell Brewery

Installed a “Hot Shot Box” which shuts down the glycol cooler when the city hits peak electricity demand.

### Install a Solar Thermal System for Water Heating (or other alternative energy generation systems)

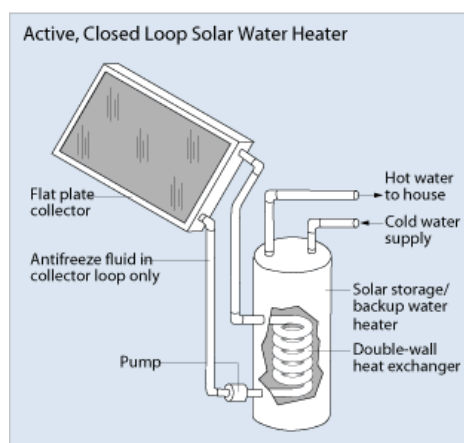
Craft breweries around the United States have employed myriad alternative energy technologies including solar photovoltaic, biogas, and fuel cells. Considering BBC’s location, energy needs, time, and cost, we recommend OWE consider solar thermal. In the long term, when OWE changes location facilitate geothermal and cogeneration may also be viable options. By acting quickly, OWE can take advantage of federal tax breaks; set to expire in 2016, to offset some of the upfront costs of qualifying alternative energy technologies. While alternative energy generation has high upfront costs, the payoffs, particularly for solar thermal, are fairly short term and become even more meaningful if BBC adopts a triple bottom line accounting system that accounts for environmental damages.

#### *Solar Thermal*

One of the largest consumers of energy in the brewing process is the water boiler. The installation of a ten-collector solar thermal system on the brewery roof would be an efficient, cost-effective way to substantially reduce the environmental impact of beer production as well as lower BBC’s energy costs.

Producing some of its own energy would also insulate BBC from future fuel price fluctuations in natural gas. The decision to install a solar thermal system is made more challenging by the possibility that BBC may move facilities within the next five years.

Solar thermal systems use the energy of the sun to heat water. Glycol is circulated through panels installed on a rooftop and the heat is then transferred to water using a heat exchanger. The heated water is stored in insulated tanks from where, for example, it can be pumped through the boiler, reducing the energy needed to heat water.



Source: Department of Energy, 2014 Credit: Department of Energy

A solar thermal system in Bloomington is capable of heating water to an average of 120 degrees, with temperatures averaging 160 degrees on sunny days and 90 degrees on a cloudy day. Eight storage tanks can hold up to 1440 gallons of hot water.

The selection of an appropriately sized solar thermal unit will depend on BBC’s budget and demand for hot water. Ideally, a solar thermal system installed at BBC would supply 60-100 percent of the brewery’s daily hot water needs.



### An Example: 10 Collection Solar Thermal System Installed at Brew2

Total cost (including equipment and installation)	\$60-80,000
Annual maintenance costs	\$500
System life	30 years
Payback period	Less than 10 years (depending on usage)

Source: Mann Plumbing, 2014

The federal government provides substantial incentives for installing solar thermal, including a 30 percent tax credit (for projects started by 2016) and accelerated depreciation.

There are several experienced installers of solar thermal systems in the Bloomington area including Mann Plumbing and Morton Solar. These experts can provide much more detailed information on costs, payback times, tax incentives, technical aspects, and more.

#### *Geothermal-Heating and Cooling*

Heating and cooling the Brew2 facility currently depends on electricity, which in Indiana is produced predominately by coal- and natural gas-fired power plants. OWE management has expressed a long-term goal of moving the office space, brewing, and catering operations of the Brew2 facility to their Karst Farm property.

Movement to a newly built space provides the opportunity for OWE to install a geothermal heating and cooling system, a technology that relies on clean, renewable heat energy stored below the Earth's surface, and reduces the environmental impact associated with coal and natural gas. Many homes and businesses in Bloomington have successfully installed and rely on geothermal systems, but OWE would first need to consult with one of several Bloomington geothermal installers to determine if their property has sufficient geothermal activity for such a system (model in Appendix A.1).

### An Example of a Residential Geothermal System

<b>Total costs (including heat loops &amp; geo system)</b>	\$13500
<b>Annual Maintenance Costs</b>	\$133-264
<b>System Life</b>	18-20 years
<b>Tax Incentive</b>	30 percent federal tax credit until 2016; \$200-\$300 rebate from Duke Energy

#### Case Studies:

##### **Indiana University Office of Sustainability and Geothermal, Bloomington, Indiana**

"E-House also has a geothermal heating and cooling system that transfers heat to and from the limestone bedrock, utilizing two 250-foot-deep vertical bore holes is hidden below the back of the house."

Source: IUOS, 2014 Credit: IUOS

##### **Bell's Brewery and Geothermal Energy Kalamazoo, Michigan**



"A 16-ton closed loop geothermal field provides heat for our corporate office building just down the street from our Comstock Brewery."

Source: Bell's Brewery, 2014 Credit: Bell's Brewery

Source: Keller Heating and Air Conditioning, 2014

### Geothermal system providers in Bloomington, IN

Company	Website
Keller Heating and Air Conditioning, Inc.	kellerheating.com
Quality HVAC	qcomfort.com

Source: Phone interview with Doug at Keller Heating and Air Conditioning, April 2014

#### *Cogeneration System*

A cogeneration system, also known as a combined heat and power system, produces electricity and captures the residual heat energy from electricity generation to use in other processes, like water heating. Cogeneration systems are very efficient because of their ability to reuse ordinarily wasted heat energy. These systems can be particularly useful for

breweries because of their large hot water and space heating. OWE could consider installing a cogeneration system when it decides to move facilities (Model in Appendix A.2).

#### Case Study:

##### **Cogeneration at Harpoon Brewery Boston, Massachusetts**



“[The Cogeneration system] burns natural gas (NG) in a converted engine which powers an electrical generator. The coolant or antifreeze used to cool the engine is routed through an additional heat exchanger to cool the exhaust gas and this heated coolant is pumped through another process heat exchanger where the heat is transferred to our hot process water for the brewery. This allows for over 90 percent efficiency in converting the energy available in the natural gas to useful energy.”

Source: Harpoon Brewery, 2014 Credit: Centraxgt.com

## Conclusion

Several excellent guides and handbooks offer detailed information on best practices for efficiency and conservation, decision-making tools, low- and high-cost recommendations for short- and long-term investments, and case studies of energy efficiency and conservation measures taken by both large and small breweries (See Appendix A.7).

How BBC uses and even creates energy could be another way that OWE could strengthen its reputation as a remarkable employer and valuable member of the Bloomington community. At the moment, BBC's energy practices are the industry norm, but we encourage OWE to make energy reduction, efficiency, and alternative generation a priority. Tracking energy use and setting reduction goals fits nicely within triple bottom line accounting and open book management frameworks and can be expanded to other OWE facilities. Furthermore, we think that environmentally conscious OWE employees will be energized (pun intended) by OWE recognizing how energy use fits into OWE's overall sustainability ethos.



## WASTE



The main byproducts of the brewing process are spent grain and water. At BBC, each 16-barrel batch of beer made produces four to six barrels of spent grain and uses approximately 830 gallons (26 barrels) of water. Much of this water is turned into beer, but almost 40 percent of it is evaporated, absorbed by the spent grain, or is used for cleaning and ultimately disposed of as wastewater.<sup>3</sup> Management practices involving spent grain and wastewater provide the opportunity to reduce the impact of operations on the environment, while potentially generating additional revenue or reducing costs. With 125 batches expected in 2014, resulting in upwards of 500 barrels of spent grain and almost 35,000 gallons of waste water, and anticipations of 25 percent growth in the coming years, BBC is positioned to improve water and waste management practices in a manner that exemplifies its ongoing commitment to both community and environmental sustainability.

### Spent Grain (And Yeast)

Other than water, spent grain is the largest source of waste for most brewing operations. At current production rates (three batches per week), BBC produces up to 18 barrels of wet spent grain each week and up to 750 barrels each year (based on 125 batches expected in 2014). Currently, spent grain is placed in plastic barrels behind the Brew2 facility and is free to anyone who chooses to haul it away, mainly local farmers who use the spent grain as animal feed or compost material on their farms. Sometimes the spent grain is taken out to OWE's Loesch Farm to be used for these same purposes. These practices are included in the discussion of sustainable uses of spent grain and are excellent alternatives to hauling waste to a landfill. The final recommendations will expand upon these ideas to obtain maximum benefit from the available resources.

Despite the large amounts of spent grain produced and given away by BBC, the properties of spent grain, such as high contents of protein, fiber, and other

nutrients, make it a byproduct desirable for many uses and easily kept out of landfills. In keeping with the hierarchy of best management practices, resource reduction, reuse, and recycling options must be considered, in that order, before considering disposal methods. In the brewing process, however, alterations in inputs have drastic effects on the consistency of the resulting batch, eliminating the option of source reduction from consideration. Several options for reusing spent grain and disposal alternatives remain and are detailed below.

### *Reuse in the Brewing Process*

Spent grain and yeast in the brewing process can be reused. Doing so reduces the need for virgin materials and eliminates associated costs. As previously mentioned, altering beer inputs may be a concern given its impact on the final product. This is most likely to be the case with grain as it is used to flavor the beer and can be expected to be less potent after first use. Reusing yeast should not have significant impacts on the final product. In fact, reusing yeast can improve its quality over time as long as yeast is stored properly between uses. Yeast must be stored in an airtight container at a temperature slightly below that of the beer. It should be opened daily to release gas build up and can last up to two weeks, though it is best when reused in the following one to three days.<sup>4</sup>

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<sup>3</sup> Mease, 2014

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<sup>4</sup> Brewers Association, n.d.

#### White Labs Yeast Reuse Best Practices

- Collect yeast shortly after fermentation is complete, and keep it at 10 – 15 degrees Fahrenheit below beer temperature.
- Although many brewers use conical bottom fermenters, higher quality yeast is collected from top cropping. This prevents good yeast from mixing with bacteria, waste product and dead yeast at the bottom of the fermenter.
- Store yeast in an airtight container – many brewers use stainless steel soda-type kegs or high-quality food-grade plastic containers or buckets.
- Avoid pressure and carbon dioxide build up – shake and vent pressure at least once a day.
- Use storage containers only for yeast to prevent cross-contamination of other components and bacteria.
- Use reused yeast ideally within 1 – 3 days of harvest in order to preserve viability. Any amount of time beyond two weeks significantly increases the risk of losing yeast viability.
- Test yeast regularly for issues with viability and purity before adding to a brew.
- Once the yeast tests clean, add some wort prior to its use.

Source: Brewers Association Solid Waste Reduction Manual, n.d. Credit: Brewers Association

#### Animal Feed

Animal feed is one of the most common uses of spent grain, with up to 90 percent of spent grain from the craft brew industry utilized this way. Spent grain is sought by farmers due to the high protein and fiber content, and because animals like it. Yeast can also be reused in this way by mixing it into spent grain. Studies have shown that consumption of spent grain and yeast by ruminoid animals can have positive effects on digestion and lactation.<sup>5,6,7</sup> The Center for Veterinary Medicine provides guidelines on what percentage of yeast in the mixture is recommended. Using spent grain in this manner keeps it out of landfills, and supports local economies by providing a free or low cost service to local farmers. Farmers obtaining local feed prevent transportation-related pollution associated with shipping feed long distances.

<sup>5</sup> Aguilar, 2013

<sup>6</sup> Moallem et al, 2009

<sup>7</sup> Mussatto et al, 2006

Some sustainability advocates, however, do not support this option. Most of the developed world consumes much more animal protein than recommended for a balanced diet. This consumption supports the energy intensive industrial meat production that pollutes the air and water.<sup>8</sup> For this reason, BBC might favor other local reuse alternatives.

#### Baking

Spent grain can also be used for human consumption in wet or dry form, as long as it is stored properly prior to use in order to prevent mold and bacteria growth. Substituting regular flour, oats, or other grains with spent grain or spent grain flour is more sustainable because it reduces the demand for virgin product, including the water and energy required to grow and transport it. When dried and ground into flour, it can be used in lieu of regular flour, and the starch content can vary (the grain's starch is broken down into sugars in the brewing process). In many recipes, the nutty or beer flavor that results is highly desired. In others, the change in flavor may be a negative. One study found that spent grain dried at a low temperature (115-120° Fahrenheit) could replace 10 percent of the flour in bread without any noticeable changes in taste. This change had nutritional benefits of increased protein and amino acid content, by 50 and 10 percent respectively, and, due to spent grain having a lower caloric density, decreased calories by seven percent.<sup>9</sup> Applying this same ratio, OWE could save costs by substituting BBC spent grain flour for 10 percent of the flour used by Pizza X, Lennie's, and One World Catering, without having any impact on taste. A cost-benefit analysis is required to determine whether cost savings from reduced flour purchasing would balance investments in drying and milling mechanisms.

#### Compost/Growing Medium

With 36 percent of the Earth's cropland facing decreased production due to topsoil loss and pollution,<sup>10</sup> composting is one way of replenishing topsoil. The best compost for growing food contains a mix of carbon and nitrogen; spent grain can be used to impart nitrogen into the mix. The compost can be used as a soil amendment when growing just about anything, but is particularly good for growing shiitake and oyster mushrooms. As an added bonus, mushroom

<sup>8</sup> O'Brien, 2007

<sup>9</sup> Mussatto et al, 2006

<sup>10</sup> Brown, 2001

growth increases protein content of the spent grain and makes it easier for animals to digest.<sup>11</sup>

#### *Other*

Other uses of spent grain include bioplastics and various methods of energy generation. These options require significant capital investments that are not feasible at the scale at which BBC operates or is likely to operate at in the foreseeable future. Unless approached by a large research institution, it is not recommended that BBC pursue these uses of spent grain.

#### *Regulatory Concerns*

In October 2013, the FDA published a proposed rule that might have implications for brewers disposing of spent grain as animal feed. Though grains must be deemed fit for human consumption prior to the brewing process, wet spent grains can spoil easily if not used quickly enough or handled properly. There have been no recorded issues regarding the use of spent grain as animal feed; however, the new rule aims to identify and prevent hazards and establish Current Good Manufacturing Practices for using the grain to feed animals, with the focus on storage at breweries and transportation to farms. Upon closing the period for public commentary in March 2014, and after an outcry from the craft brewing industry and farming partners, the FDA announced that it will provide revised regulatory language in the coming months. For now, there are two exemptions to the rule that may protect OWE from having to comply: (1) the “rule does not apply to farms that manufacture food for their own animals,” and (2) “very small businesses,” as categorized by annual animal feed sales dollars (less than \$500,000) are given a three year grace period after final publication of the rule.<sup>12</sup> Since OWE does not currently sell any of its spent grain, farmers remove the product at their own risk. This language also prevents OWE from incurring any additional costs if feeding the spent grain to their own livestock. Should these clauses change, requiring OWE to alter practices in order to remain compliant, changes would be limited to the storage and transportation of spent grains, and the development of formal management practices.

## **Waste Water**

Water is an integral part to the beer making process. Not only is it used in the creation of beer inputs such as malts and hops but water is also used in the brewing process. It can make up to 97 percent of the end product, so it is important that well-informed water management practices are put into place.

Within the brewing process alone, BBC uses 165,540 gallons of water per year and is planning on using 206,925 gallons of water in 2014 and beyond, when operations expand with bottling.<sup>13</sup> The bottling process also requires more water because the bottles must be rinsed prior to bottling the beer. Data on just how much extra water this will require will become available once the bottling process has begun.

In addition to brewing, equipment requires water for cleaning. It is estimated that in 2014, BBC will use 7,875 gallons of water for cleaning brewing equipment. It takes about three gallons of water to clean kegs, so BBC used about 6,288 gallons of water to clean kegs (if they are cleaned every time they are refilled).<sup>14</sup>

Monitoring water use is and will be important in the future, especially as operations at BBC scale up with the addition of bottling and added brew days.

## **RECOMMENDATIONS**

### **Investigate Use of Spent Grain**

Each use of spent grain and yeast described above must prove cost-effective for BBC and OWE in order to be adopted in the long term. For this reason, we recommend that BBC conduct further investigations into options with cost saving potential such as the use of spent grain in baking and as a mushroom growing medium. In addition, opportunities to combine uses multiply the potential benefits. For example, spent grain used to grow mushrooms could then be fed to animals. This would provide layers of benefits by reducing costs for purchasing mushrooms, reducing resource use associated with buying mushrooms, and reducing resources required to produce and deliver other feed grain. Similarly, yeast could be reused for a period of time then mixed into animal feed.

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<sup>11</sup> Woods, 2009

<sup>12</sup> FDA, 2014

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<sup>13</sup> 2013 data; Mease, 2014

<sup>14</sup> Ibid.

## Monitor Waste Water

For BBC to have as much impact as possible on local, sustainable brewing practices, they must begin monitoring their water usage with state of the art monitoring equipment. Once a baseline for water use has been established, BBC will be able to set water use reduction goals, implement new strategies and make their mark in the craft brewing industry.

One of the best ways to begin a monitoring program is to install flow meters or submeters within BBC's brewing process. Once the flow meter is installed, BBC will be able to better monitor water usage. BBC will also be able to monitor specific brewing equipment (boiler kettles) once regular water usage monitoring is established.<sup>15</sup> Flow meters can cost anywhere from \$5 to \$300, but for around \$80, BBC could purchase a flow meter that lasts up to ten million gallons of monitoring.<sup>16</sup>

Another type of monitoring that BBC should use is the Energy Star Portfolio Manager. This is a free service that will help BBC document and track water use to provide information for a baseline.<sup>17</sup>

To encourage the minimal use of water within the entire OWE facility, OWE could post friendly reminders for OWE folks and clients to remind them to shut off the tap when they are finished using it. This method can also call attention to leaks, and inform OWE of necessary repairs to avoid unnecessary water use.<sup>18</sup>

To reduce water loss through steam, BBC should add canola oil into the brewing process. Canola oil acts as anti-foam and reduces bubbles in the brewing process. It does not decrease the heat retention and dissipates when beer forms as it feeds the yeast within the process.<sup>19</sup> It costs about \$70 for a 35lb bucket of canola oil.<sup>20</sup>

In the future, when BBC moves its operations, they can make capital investments in Energy Star and Water Sense appliances. Energy Star appliances on the

catering side of OWE would help decrease overall water and energy usage in the facility. Water Sense appliances coincide with the Green Restaurant Association credits.<sup>21</sup> There are no Energy Star or Water Sense appliances available specifically for craft brewing operations currently but with the growth in craft brewing and the interest in energy management within the industry, there could be appliances in the future. These appliances may be more expensive in the beginning but would lead to a payback in two to four years.<sup>22</sup>

Another option to decrease overall water costs within BBC and OWE would be to add rain barrels to the property. Rain barrels save money by driving down water bills and other costs associated with freshwater needs. The water obtained from rainwater harvesting can be used in any process that does not require potable water.<sup>23</sup> There are no tax rebates currently in Monroe County for rain barrels, but the Monroe County Soil and Water Conservation District sells barrels for \$75 (plus tax).<sup>24</sup> In the future, there will be many more options for BBC to invest in green technology and water saving appliances to become a more sustainable business and a model for the community.

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<sup>15</sup> EPA, 2012

<sup>16</sup> Jerman, 2014

<sup>17</sup> EPA, 2014

<sup>18</sup> EPA, 2012

<sup>19</sup> Mease, 2014

<sup>20</sup> Kalyx, 2014

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<sup>21</sup> EPA, 2012

<sup>22</sup> EPA, 2014

<sup>23</sup> MCSWD, 2014

<sup>24</sup> Ibid.

## PACKAGING



Sustainable packaging practices are an important component of sustainable material flow and waste and energy reduction throughout the production processes. This analysis includes an in-depth review of environmental sustainability issues related to both current and future BBC packaging including kegs, growlers, glass bottles, and aluminum cans. While a full-scale life cycle analysis for each packing product is not in the scope of this assessment, we include estimates of carbon footprints and environmental impacts associated with packaging material, transportation, and recycling for each packaging type. We also provide recommendations for increased sustainability through new packaging standards and current best practices in the industry.

### Glass Bottles

An investigation into the carbon and energy use issues associated with distributing beer in glass bottles is an integral piece of a packaging sustainability analysis. This element is particularly relevant to OWE's current sustainability efforts as they begin their distribution of 22 ounce glass bottles. A clearer understanding of the material, carbon footprint, transportation, and recycling issues associated with glass will ideally guide the organization toward a reduction of GHG emissions and, to the extent possible, a climate- and energy-conscious system of beer distribution.

#### *Material Use*

In examining the material production for the bottles themselves, it is important to consider the balance between recycled and virgin materials. Generally, the production of packaging materials using recycled inputs is more energy efficient than the use of virgin materials.<sup>25</sup> The transportation requirement associated with recycling pick-up results in additional GHG emissions, however, which makes the sustainability distinction between recycled and virgin materials less clear. This issue will be further discussed in the transportation and waste sections.

Virgin glass requires the use of a range of raw materials throughout the production process, including wet sand, soda, limestone, dolomite, feldspar, sodium sulfate, iron chromite, and water.<sup>26</sup> Based on a 2008 Life Cycle Analysis (LCA) on glass beer bottles by the Climate Conservancy, the GHG emissions that result from the harvesting, production, and transportation of these raw materials, given 100 percent virgin inputs, is an estimated 0.66 metric ton (1 metric ton = 1000 kilograms) CO<sub>2</sub>e emissions (CO<sub>2</sub>e)<sup>27</sup> per ton of glass produced. OWE's current distribution plans include the distribution of a 22 ounce bottle, the glass for which has a mass of 333 grams (11.75 oz).<sup>28</sup> This means that for a 12-bottle case of 22 ounce glass bottles, the GHG emissions from glass packaging are estimated to be 2.64 kg of CO<sub>2</sub>e. If BBC is interested in moving to a smaller bottle option, they should consider distributing 12 ounce bottles, which have a mass of 193 grams (6.8 oz). For a 24-bottle case of 12-ounce beers, the GHG emissions from the glass container are estimated to be 3.06 kg of CO<sub>2</sub>e.

Considering the significant energy savings from recycled glass production due to a much lower required melting temperature, GHG emissions are estimated to be 0.33 metric tons CO<sub>2</sub>e per ton, resulting in 1.3 kg CO<sub>2</sub>e for each case of bottles from glass material production.<sup>29</sup> Most often, glass manufacturers, including Saint-Gobain, the manufacturer of OWE's 22 ounce bottles, utilize a mix of virgin and recycled materials. While the national average of recycled glass, or cullet, utilization in glass production is 23 percent, the mix of inputs for Saint-Gobain beer bottles is 29 percent.<sup>30</sup> Considering this level of recycled materials, the estimated GHG

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<sup>26</sup> Ibid.

<sup>27</sup> Carbon dioxide equivalent units are used to compare the emissions from different greenhouse gases based on their global warming potential. CO<sub>2</sub>e is typically measured by (metric tons of a gas)\*(global warming potential of the gas). Learn more at [epa.gov/climatechange/glossary](http://epa.gov/climatechange/glossary).

<sup>28</sup> The Climate Conservancy, 2008

<sup>29</sup> Ibid.

<sup>30</sup> Casey, 2011

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<sup>25</sup> The Climate Conservancy, 2008



emission for a BBC 12-bottle case is 2.25 kg of CO<sub>2</sub>e. A 24-bottle case of 12-ounce beers would generate 2.61 kg of CO<sub>2</sub>e.

### *Transportation*

Assuming that Saint Gobain ships 22 ounce glass bottles to BBC from their closest distribution facility in Muncie, IN (113 miles away<sup>31</sup>) using a 26-foot diesel box delivery truck, the average fuel efficiency is approximately nine miles per gallon (mpg). Given these assumptions, the 113-mile delivery trip requires 12.55 gallons of diesel fuel. The Climate Conservancy calculated that the production and transportation of one gallon of diesel emits 11.8 kg of CO<sub>2</sub>e, which means that the full trip from Muncie emits 148.10 kg CO<sub>2</sub>e.<sup>32</sup> Using the mass data for a 12-bottle case of 22 ounce glass bottles (3996 grams) and assuming a truck cargo maximum weight of 20,000 kg, the estimated carbon footprint from the transportation of each case of bottles is 29.59 grams of CO<sub>2</sub>.

### *Recycling*

Glass recycling in Indiana has both positive and negative impacts. Glass collected from Bloomington and Monroe county recycling programs goes to Republic Services in Indianapolis where it is stored in stockpiles behind the facility. Republic sorts the glass and ships it out to Strategic Materials in Chicago where it is remanufactured into glass or fiberglass. Republic Services General Manager Mike Lavery writes that 100 percent of the glass shipped to Chicago gets reprocessed into recycled material, compared to 93 percent of other materials for Monroe County. Despite this full recycling rate, Lavery notes that glass is by far the costliest material to process, and costs most waste manufacturers money. Republic claims that it has never known another small waste processor that has turned a profit from glass recycling. However, due to the local commitment to and demand for recycling (glass accounts for 20 percent of the total volume of recycled materials in Monroe County), glass remains a critical component of the waste processing business model.<sup>33</sup>

While glass recycling remains an important initiative in Indiana and Monroe County, an Indiana bottle bill might be a more beneficial and profitable recycling

initiative. Bottle bills refer to container deposit laws, which require a minimum refundable deposit for all soda and beer beverage containers in order to encourage recycling or reuse.<sup>34</sup>

Bottle bills work by requiring retailers to pay a deposit to beverage distributors. The consumer pays this deposit to the retailer when buying beer or soda beverages. When the consumer returns the container, the deposit is refunded and the retailer recoups the deposit from the distributor. In the ten states that currently have bottle bills in place, deposit systems have generated important benefits such as litter reduction, energy and resource conservation, and financial incentives for recycling. In recent years, advocates of container deposit laws have also pointed out the potential for waste diversion and job creation. Indiana does not currently have an active bottle bill legislative campaign. In 2011, the Indiana House introduced a five-cent container deposit bill, but as of January 20, 2011, the bill had yet to be introduced by the Committee on Environmental Affairs.<sup>35</sup>

Finally, BBC's glass distributor, Saint-Gobain, has recently made an effort to expand its recycling options and has donated glass-recycling bins to several bars and restaurants throughout the state. Saint-Gobain and its glass subsidiary, Verallia North America, will collect the glass, sort it by color, and melt and mold it into new bottles.<sup>36</sup> We suggest that BBC reach out to Saint-Gobain to explore the possibility of expanding this recycling program to Monroe County bars and restaurants.

Please see the electronic resources and figure in the appendix (see A.3) for more information on Indiana recycling and bottle bills:

- Indiana Recycling Coalition - Interactive Map: Where to Recycle: [indianarecycling.org/ecopoint](http://indianarecycling.org/ecopoint)
- Container Recycling Institute - Bottle Bill Resource Guide: [bottlebill.org/](http://bottlebill.org/)
- Indiana Bottle Bill Resource Guide: [bottlebill.org/legislation/campaigns/indianac](http://bottlebill.org/legislation/campaigns/indianac)

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<sup>31</sup> Saint Gobain, 2013

<sup>32</sup> The Climate Conservancy, 2008

<sup>33</sup> Higgs, 2008

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<sup>34</sup> Container Recycling Institute, 2013

<sup>35</sup> Ibid.

<sup>36</sup> Indiana Recycling Coalition, 2013

## Kegs

### *Service Life*

Given the returnable, refillable, and recyclable nature of kegs, it is not surprising that many studies have found kegs to be one of the most sustainable forms of beer packaging. One of the main benefits of kegs are their lengthy service life of over 30 years. On average, a single keg yields 180 12-ounce bottles and is refilled five times per year.<sup>37</sup> A 30-year service life means that over the life of the keg, 27,000 12-ounce bottles can be filled from a single keg. That is equivalent to 14,700 22-ounce bottles, 1125 cases of 12-ounce bottles or cans, and 1225 cases of 22-ounce bottles. Given these numbers, Brew2's 2013 production of 2,096 kegs of beer is equivalent to over 377,000 12-ounce bottles or cans saved. Over the life of each keg, this volume is equivalent to over 56.5 million 12-ounce bottles and 30.9 million 22-ounce bottles.

### *Material Energy Use*

Steel is the most common material used in keg production. Manufacturing steel products from virgin steel results in GHG emissions of 3.7 metric tons CO<sub>2</sub>e per ton.<sup>38</sup> Assuming that an empty keg weighs, on average, 30 pounds, or 13.61 kg, CO<sub>2</sub>e generated per keg is an estimated 50.36 kg. However, over the life of the keg, this carbon footprint is equivalent to 1.68 kg CO<sub>2</sub>e per year. This number would be slightly higher if the carbon emissions from keg transportation are also considered. If this carbon footprint were distributed to cases of 22-ounce bottles, each case (by volume) would represent just over 41 grams CO<sub>2</sub> from keg production, as compared to 2.25 kg CO<sub>2</sub> from glass bottle production. Given their lengthy lifespan and reusability, kegs are indeed one of the most sustainable forms of beer packaging in terms of material production and carbon emissions.

## Aluminum Cans

### *Origins of Aluminum*

Other than bottles and kegs, aluminum cans are the primary container for storing beer. Aluminum is primarily produced from bauxite, a mineral-filled rock type found primarily in warmer climates closer to the Equator. Bauxite is not abundant in the United States, and 43 percent of the bauxite that comes to the United

States originates from Jamaica.<sup>39</sup> On the whole, 95 percent of bauxite imported to the United States goes into the process of making alumina (Al<sub>2</sub>O<sub>3</sub>, or aluminum oxide). From this alumina, 90 percent ends up at aluminum smelters, which help to produce aluminum cans.<sup>40</sup>

Glass is abundant in the United States to produce bottles, so the process of importing bauxite into the country may result in more of a carbon footprint. According to a recent life-cycle assessment study, however, carbon footprint and energy use have decreased over the past 20 years. The carbon footprint for primary aluminum production has gone down by 37 percent in this time frame, while energy use has decreased 26 percent.<sup>41</sup> Contributing to this reduction are new technologies, facilities that are more energy efficient, and increased hydropower usage.<sup>42</sup> Thus, while aluminum may come from a farther distance than glass, better technology and increased efficiency have decreased its environmental and monetary costs.

### *Life of a can and recyclability*

In 2012, 53.2 percent of all beer sold in the United States came in cans.<sup>43</sup> With over half of the market share, cans are advantageous because they are light, travel easily, can easily be chilled, and do not shatter like bottles. Cans also come in various sizes, most notably 12-ounce cans and 24-ounce "tall boys," and often come packaged up to 30 at a time.

The best argument for aluminum can sustainability comes from the fact that there is no limit to how much an aluminum can is able to be recycled. New Belgium Brewery, from Fort Collins, Colorado, offers an easy-to-understand guide to the recycling advantages of cans, bottles, and kegs.<sup>44</sup> In addition to the infinite recycle time, the turnaround of 60 days is relatively fast for when a can is able to be re-used. Finally, the fact sheet displayed on the next page mentions how recycling a single can saves enough energy to run a television for three hours.<sup>45</sup> As a result, recycling

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<sup>37</sup> Muzzonigro, 2012

<sup>38</sup> Climate Conservancy, 2008

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<sup>39</sup> U.S. Geological Survey, 2013

<sup>40</sup> Ibid.

<sup>41</sup> Aluminum Association, 2014

<sup>42</sup> Ibid.

<sup>43</sup> Passy, 2013

<sup>44</sup> New Belgium Brewery, 2012

<sup>45</sup> Ibid.



aluminum cans offers a multitude of environmental and energy-related savings.

However, one issue that remains with cans is how often they are actually recycled. According to a 2008 EPA Municipal Solid Waste Report, users recycle less than half of aluminum beer or soda cans that are produced.<sup>46</sup> This number represents about \$900 million to \$1 billion wasted yearly by not recycling cans.<sup>47,48</sup> As a result, the amount that is not saved as a result of throwing cans away instead of recycling is staggering. Thus, the potential exists for even more savings with regard to aluminum cans.

#### *Breweries That Have Used Cans*

Oskar Blues, another brewery based in Colorado, has been manufacturing its signature Dale's Pale Ale beer only in cans since 2002. The success of this brewery started a trend of producing more canned beers among craft breweries.<sup>49</sup> Part of what has made this effort successful has been the focus on taste. Craft breweries have used new methods in order to increase the beer's flavor, including using water-based polymer linings in a material that is known for having a metallic aftertaste.<sup>50</sup> Aluminum canning technologies continue to improve as well. Novelis, an aluminum product manufacturing company, has just released the Evercan™, which is described as the "the world's first certified high recycled content material for beverage cans."<sup>51</sup> This particular can, which consists of a minimum of 90 percent recycled content, is first being used in conjunction with the Georgia-based Red Hare Brewing Company.

Not only has the technology improved, the canned beer culture among craft breweries has grown beyond just a niche market. In Washington D.C., a bar called the Red Derby serves beer only in cans. CanFest, a festival that showcases craft beers that come only in cans, has occurred for the past five years in Reno, Nevada.<sup>52</sup> As a result, the once-nascent market for aluminum cans in craft beer has grown substantially in

the past decade, proving that cans are no longer preferred only for mass-marketed domestic beers.

### Growlers

#### *Growler Information and Filling Techniques*

One method of storing beer that has grown significantly in popularity is through larger reusable glass jugs that are better known as growlers. These growlers are usually made from dark brown glass, feature a screw-off top, and commonly hold 64 ounces, which is large enough to contain over five regular-sized bottles or cans. The idea behind growlers is that they can hold beer in a large container, which can be filled up regularly for a low price. Several breweries, along with beer retailers and grocery stores, now offer growler fills as an option for buying and taking home their beer, in lieu of purchasing it in bottles or cans. As long as an owner cleans the growler regularly, he can refill it multiple times. One drawback to growlers is the shelf life of the beer that is filled into growlers. According to the Brewers Association, the growler can only store beer between 24-72 hours, before it loses flavor and becomes stale.<sup>53</sup> Thus, beer from a growler needs to be consumed quickly, and cannot be stored for months like beer packaged in cans or bottles.

Various methods or techniques exist for filling growlers that both attempt to keep the beer fresher for longer, as well as reduce both waste and oxygen use. Instead of filling straight from the tap, bars and other growler retailers have used plastic extension hoses to fill growlers. This method eliminates oxygen use when the growler is completely full, thus keeping the beer fresher for longer.<sup>54</sup> The Brewers Association recommends using a counter pressure carbon dioxide filler as the most sustainable method.<sup>55</sup> This type of filler will get rid of some of the oxygen in the container through the use of CO<sub>2</sub>. Thus, brewers have made progress into improving the environmental impact of growlers, and reducing waste while being able to maintain freshness.

### Carbon Footprint and Transportation

According to a Beverage Industry Environmental Roundtable report from 2012, the total carbon footprint is about 320 grams of CO<sub>2</sub> emissions per

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<sup>46</sup> ZARC Recycling, 2010

<sup>47</sup> Aluminum Association, 2014

<sup>48</sup> New Belgium Brewery, 2012

<sup>49</sup> John, 2009

<sup>50</sup> Ibid.

<sup>51</sup> Novelis, 2014

<sup>52</sup> Passy, 2013

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<sup>53</sup> Brewers Association, 2014

<sup>54</sup> Simonson, 2010

<sup>55</sup> Brewers Association, 2014

## Keg, Bottle, and Can Carbon Footprints

	Material Carbon Footprint	Transportation Carbon Footprint	Bottle/Can/Growler Equivalent: Number (by volume)	Bottle/Can/Growler Equivalent: CO <sub>2</sub> (by volume)
Kegs	1.7 kg CO <sub>2</sub> per year	Insufficient data	1 keg over 30 years	1 keg over 30 years
22-Ounce Bottles	0.19 kg CO <sub>2</sub> per bottle; 2.25 kg CO <sub>2</sub> per case	29.59 grams CO <sub>2</sub> per case	14,700 bottles; 1,225 cases	41 grams CO <sub>2</sub> per case
12-Ounce Bottles	0.12 kg CO <sub>2</sub> per bottle; 2.61 kg CO <sub>2</sub> per case	Insufficient data	27,000 bottles; 1,125 cases	45 grams CO <sub>2</sub> per case
Cans	0.13 kg CO <sub>2</sub> per can; 1.57 kg CO <sub>2</sub> per case of 12	24.6 grams CO <sub>2</sub> per case	27,000 cans; 1,125 cases	45 grams CO <sub>2</sub> per case

each 12-ounce (355 mL) aluminum can produced.<sup>56</sup> This emissions report estimates that aluminum cans have a 52 percent recycling rate, and are being made from 68 percent recycled content.<sup>57</sup> Of these emissions, the aluminum can itself accounted for 131.2 g CO<sub>2</sub>e, or 41 percent, of the total. The malt that is included makes up for 106.2 g CO<sub>2</sub> e, and this number accounts for one-third of the total emissions that come from one can. With regard to greenhouse gas emissions, 37.7 g CO<sub>2</sub>e, or 11.8 percent, come from each can. Emissions caused by transportation of the material amount to 24.6 g CO<sub>2</sub> e, which comes out to 7.7 percent of the total for each can.

## RECOMMENDATIONS

Given the unique characteristics and carbon footprints associated with each type of packaging material, we recommend using a mix of all materials, keeping in mind the importance of maximizing reuse and minimizing transportation. Based on the figure below,

kegs are the clear winner in beer sustainable packaging. Beyond this form of packaging, glass and aluminum provide their own environmental costs and benefits. Generally, larger glass bottles and growlers are a sustainable option given that transportation distances are minimized and reuse rates are maximized.

We also recommend making efforts to increase the impact of recycling in Indiana. This could include a business partnership with Saint-Gobain for a renewed community push toward a state container deposit law.

## Canning Options for BBC

At the moment, One World and BBC only have the capabilities for bottling beers. Their first beers in 22-ounce bottles debuted a few weekends ago. Thus, a number of years may pass before BBC would want to consider implementing a canning process. Nonetheless, many potential options exist for craft breweries that want to can their own beers. Cask, an Alberta-based supplier of canning equipment, has an entire catalog of different canning systems used by several different

<sup>56</sup> Beverage Industry Environmental Roundtable, 2012

<sup>57</sup> Ibid.

breweries, one of which is Oskar Blues.<sup>58</sup> Palmer Canning is another company that sells these types of products, and is based in Chicago.<sup>59</sup> Thus, many manufacturers of canning products exist, in case BBC eventually wishes to produce beers in this way.

### **Growler Options for BBC**

Bloomington Brewing Company already offers growler fills at Lennie's, between the hours of 11am - midnight on Sunday through Thursday, as well as 11am - 1am on Friday and Saturday. The draft beer at Lennie's provides several options for customers with growlers. In addition, having the growler refills available on Sunday is important for Hoosiers, since Indiana laws prohibit the purchase of alcohol in bottles and cans on Sundays.

## **USING ENVIRONMENTAL SUSTAINABILITY INDICATORS**

This section will highlight the most important environmental indicators and recommend how they can be used for monitoring, and internal and external communications. Though this section was developed to implement best practices for tracking and reporting sustainability indicators as part of an analysis of environmental sustainability at BBC, these same principles can and should be applied to other OWE business units.

The most important indicators when measuring sustainability, for any organization, revolve around use of nonrenewable resources such as water and energy and the creation of pollutants. Business growth in the manufacturing industry is not possible without the use of additional inputs, and, naturally, the production of additional outputs. To account for this growth in total numbers, sustainability indicators track ratios of resources required or pollutants emitted per unit, measuring their intensity of use or production. When considering sourcing and waste management, this same principle applies; we track treatment percentages rather than totals. Good indicators for sustainable sourcing include average food miles and organic percentages. A chart of recommended indicators and

guidelines for data collection and calculations are provided in Appendix A.4.

### **Sustainability Indicator Recommendations**

Tracking indicators over time is the foundational component of measuring progress toward more sustainable business practices. This requires the availability of accurate data to be used in monthly, quarterly, or annual calculations. Without consistent measures for data points, claims made based on changes in sustainability indicators are weakened and possibly invalid. Though the data collection process can require additional effort, it offers an opportunity to engage staff in the process of becoming more aware of OWE's impacts on the environment and efforts to reduce them. Involvement of this kind can create a sense of ownership and excitement that leads to higher participation when behavioral changes are necessary to reduce impact.

Once systems are put in place to gather the needed data, they can be incorporated into triple bottom line accounting and translated into easy-to-understand trends and impactful messaging. We recommend creating a management dashboard, or using the example provided in Appendix A.5. to track changes in indicators over time and to communicate with internal stakeholders. By presenting indicators in this manner, stakeholders can easily see the results of current practices, and how these compare to previous periods, OWE goals, and industry benchmarks. By keeping staff engaged in progress over time and connected to the impacts of their behaviors, primarily via huddles, OWE can increase commitment to sustainability principles.

Indicators can be used in a similar dashboard format, or incorporated into other materials, to be used in communications with external stakeholders. Sustainability indicators could display progress as signage or tent cards in OWE establishments, or on the OWE website. With investments in specific measuring instruments, OWE could even provide this as real time data. By making this information available to customers and the greater community, OWE can demonstrate its commitment to the principles of sustainability and transparency, celebrate its accomplishments, and allow the public to hold it accountable for its messaging.

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<sup>58</sup> Cask, 2014

<sup>59</sup> Palmer Canning, 2014

### Marketing Sustainability Indicators

Tracking sustainability goals and progress enhances OWE's sustainability standing and is a journey we recommend OWE share with the Bloomington and Indiana community via a strategic marketing campaign. Breweries, businesses, and organizations in Bloomington and around the country have documented their energy, water, and waste reduction progress through online dashboards and graphics (some examples in Appendix A.6). Moreover, BBC would benefit from better marketing of existing practices. Several other craft breweries have made efforts to not only source local ingredients, but also to honor and publicize the growers of those ingredients. For instance, Peak Organic Brewery in Portland, ME has an excellent web site that showcases the beautiful farms and innovative companies that produce quality, one-of-a-kind ingredients that go into Peak beers.<sup>60</sup>

We recommend that OWE approach the Indiana University Kelley School of Business for assistance in creating a marketing campaign to highlight their existing sustainable endeavors and future adoption of recommendations outlined in this report.

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<sup>60</sup> Peak Brewing, 2014

# Accounting Frameworks

*Ohm Gore, Taylor Jordan, Rebecca McNish, Hannah Percy, Tan Vu*

## INTRODUCTION

In an effort to promote the values of social equity and teamwork in every aspect of its operations, One World Enterprises (OWE) hopes to expand current open-book management practices to include the triple bottom line, an alternate accounting framework that further addresses the challenges of social equity and sustainability. In this portion of the assessment, we examine the strengths and weaknesses of open-book management strategies currently implemented by OWE as well as employee satisfaction with current practices. In addition to a comprehensive overview of open-book management and its implications for OWE, we explore the feasibility of implementing the triple bottom line accounting framework as a complement to open-book management. We provide a detailed analysis and implementation strategies for both accounting frameworks.

## OPEN-BOOK MANAGEMENT FRAMEWORK

### Origin and Definition

John Case coined the term “open-book management” (OBM) in 1995.<sup>61</sup> As defined by the Business Dictionary, open-book management is the “[p]hilosophy of involving every employee in making a firm more successful by sharing financial and operational information”.<sup>62</sup> Open-book management involves four basic practices: (1) training employees in business and financial literacy, (2) empowering employees to use that information in cost cutting and quality improvement, (3) trusting employees as business partners on equal footing, and (4) rewarding employees fairly for the firm's success.<sup>63</sup>

Open-book management is founded on open, comprehensive communication between firm leaders and employees with the goal of providing employees with a clear understanding of the organizations' purposes and goals. The ultimate goal of OMB is to motivate employees to become engaged in improving the performance of the company as a whole.<sup>64</sup>

Jack Stack, founder and CEO of SRC Holdings, and John Case initially envisioned open-book management as a method to increase firms' profits and improve employee productivity. However,

companies that have implemented open-book management have also improved “employee satisfaction, engagement, retention, motivation, innovation, and corporate sustainability.”<sup>65</sup>

The foundation of open-book management is the practice of sharing business indicators with employees including “income statements, balance sheets and other key metrics.”<sup>66</sup> Open-book management practitioners recommend sharing almost all financial information “with all employees, not just senior executives, and allow employees to have a direct influence in the success and or failure of the business.”<sup>67</sup>

However, OBM experts also recommend providing that information to employees in a digestible, simple format. In using open-book management, company leaders are trying to increase employee comprehension of, not confusion about, firms' finances, in order that the employees can understand how to make contributions to improving companies' overall financial health.<sup>68</sup> Ensuring their understanding of the financial indicators of success allows employees to make conscious decisions to act in support of improving those indicators. This is done through sharing financial information while ensuring employees understand the measures and their relevance to the companies' continued vitality.

Employees are also often involved in goal setting and thereby take on increased responsibility for

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<sup>61</sup> “How to Practice,” 2003

<sup>62</sup> “Open Book Management (OBM),” n.d.

<sup>63</sup> Ibid.

<sup>64</sup> Ibid.

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<sup>65</sup> Broughton and Thomas, 2012

<sup>66</sup> Ibid.

<sup>67</sup> Bennett, 2013

<sup>68</sup> Broughton and Thomas, 2012

performance improvements. Internally accessible scoreboards or score cards that record progress toward these goals are tools with which employers can create accountability between employers and employees. A scorecard can help an organization monitor and manage indicators and compare the indicators with the strategic and operational objectives and goals of the organization. All employees, regardless of rank within a business, are invited to attend meetings to discuss progress on key indicators. Due to their involvement in creating and meeting goals, employees ideally see the scoreboard not as “*them [managers] measuring us,*” but as “*us measuring ourselves*” [emphasis in original].<sup>69</sup>

Employees and employers typically negotiate an agreement under which employees receive a financial bonus, celebration, or other reward if goals are met. Companies may also share a portion of profits based on movement in certain business indicators. Employee ingenuity is engaged to solve key business challenges, including how to become more socially and environmentally sustainable.<sup>70</sup>

### Benefits of Open-Book Management

Companies that adopt open-book management can expect to see several benefits resulting from the system. According to the National Center for Employee Ownership (NCEO), companies that share financial information with employees typically experience “a one to two percent annual increase in sales growth over what would normally have been expected.”<sup>71</sup> Similarly, companies that foster employee participation or ownership have grown eight to eleven percent more quickly than their non-participating counterparts, based on a 1986 study from the NCEO. In a more recent study, it was demonstrated that companies utilizing open-book management and employee ownership experienced sales growth of 2.21 percent and employment growth of 1.14 percent annually compared to their non-open-book management counterparts. Companies using open-book management, but without the employee ownership component, “saw an increase in sales of 1.66 percent per year and employment of 1.27 percent per year relative to what would have been expected without open-book

management.”<sup>72</sup> As the NCEO concludes, “[e]mployee ownership companies... would be nearly twice the size normally expected after 30 years.”<sup>73</sup>

In addition to contributing to sales and business growth, open-book management gives firms a competitive edge. When implemented properly, open-book management causes employees to think beyond their job duties to the company as a whole, and consider the entire company’s welfare.<sup>74</sup> Open-book management fundamentally changes the link between the employee and the company and “gets everyone to focus on helping the business make money.”<sup>75</sup> In a firm using open-book management financial methods, according to Case, “employees understand why they’re being called upon to solve problems, cut costs, reduce defects, and give the customer better service. And they have a reason to do so.”<sup>76</sup>

Companies that utilize open-book management believe that providing employees with financial information encourages them to think innovatively, as it encompasses them in firms’ success and failure beyond their paychecks. The increased “employee focus on the success of the business benefits the bottom line as the operation becomes more cost-effective, maximizing each employee’s value.”<sup>77</sup>

Companies may find open-book management particularly useful when a portion of their employees’ pay is influenced by the companies’ success or lack thereof.<sup>78</sup> Open-book management can result in improved employee efforts as they seek to increase their own reward.

There are three main differences between a conventional business and one that uses open-book management, according to Case:

1. “Every employee sees—and learns to understand—the company’s financials, along with all other numbers that are critical to tracking the business’s performance.”

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<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

<sup>74</sup> Case, 1995

<sup>75</sup> Ibid.

<sup>76</sup> Case, 1995

<sup>77</sup> Henglein, n.d.

<sup>78</sup> Ibid.

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<sup>69</sup> Case, 1998

<sup>70</sup> Broughton and Thomas, 2012

<sup>71</sup> “Open Book Management,” n.d.



2. "Employees learn that, whatever else they do, part of their job is to move those numbers in the right direction... They are also part of the business and are accountable to one another for their unit's performance."
3. "Employees have a direct stake in the company's success."<sup>79</sup>

Employees in companies that use open-book management feel they have a *de facto* ownership stake in their firms. As such, they conflict with their employers less often and work together with their employers to promote the business's success. There is a better understanding of the organization's cost structure and the need for cost controls by employees because of the sharing of financial information. Additionally, employees are more innovative and vested in the organization's success.<sup>80</sup>

Open-book management is successful because the information provided helps employees actively take steps that benefit their employers.<sup>81</sup> Open-book management is not sufficient to turn a failing company around, but it does change the essential interactions of how people work together. Rather than defend their separate interests, employees, managers, and owners in such companies have a shared perspectives, resulting in everyone working together towards common goals.<sup>82</sup>

### Limits to Open-Book Management

Open-book management should not be seen as a panacea for all intra-business conflicts. Despite employees' general preference for honest communication, open-book management has its limits.

Without proper training or explanations from managers, employees may misinterpret the financial reports they receive, resulting in misunderstandings and disincentives that may be more detrimental to a company than keeping closed books. For example, employees may feel anxiety and become reluctant to help their companies if they learn that their employer may not be able to make the payroll on time, despite

the fact that payroll delays and "close calls" are common in entrepreneurial ventures.<sup>83</sup>

Some employers express concern that open-book management will create disgruntled employees who will "be quick to extrapolate financials to determine how much of the corporate pie management has and, more vitally, how much less they do."<sup>84</sup> For example, if employees learn of large profits, they may demand larger bonuses. Employers may find it hard to maintain the concept of team benefit when employees don't see a personal reward.<sup>85</sup> When their companies are earning respectable profits, employees may refuse to work hard unless they receive shares of those profits, even though companies' owners might see reinvestment of those profits as a more immediate concern.

Employees who are able to calculate perceived contributions and compare with those on a higher pay scale may feel undervalued and subsequently provide less value to the company as a whole. Employers can mitigate this issue, however, by showing employees some information, such as salaries for other employees, in aggregated form only.<sup>86</sup> If an employee recognizes that something he or she has done has helped the firm in terms of profits, sales, or growth, however, he or she may be inspired to continue contributing at a high level.<sup>87</sup>

With open-book management, employees will be aware of firm's real-time financial struggles. Ideally, employees will see this as motivation to work harder towards ensuring the company's success. On the other hand, they may also react with apathy or put forward less effort, reasoning that the company will fail regardless. When companies are experiencing financial difficulties, employees may choose to leave for more stable opportunities, something they would not do if they did not know about the companies' struggles.<sup>88</sup>

In cases where companies using open-book management did encounter severe financial difficulties, however, "[s]truggling companies

<sup>79</sup> Case, 1995

<sup>80</sup> Broughton and Thomas, 2012

<sup>81</sup> Gruner, 1996

<sup>82</sup> Case, 1995

<sup>83</sup> "The Limits of Open Books," 1999

<sup>84</sup> Henglein, n.d.

<sup>85</sup> Ibid.

<sup>86</sup> Ibid.

<sup>87</sup> Bennett, 2013

<sup>88</sup> Broughton and Thomas, 2012



reported that downsizing or implementing temporary salary reductions was less of a challenge because employees understood why it was necessary.”<sup>89</sup> Companies in these circumstances even found that some employees, recognizing the companies’ financial problems, would volunteer to give up their jobs, and come back to work once the companies recovered. Firms could then contend with their financial problems without permanently losing employee expertise.<sup>90</sup>

Another concern about employee access to financial information is the potential for unscrupulous employees to share or sell the information to competitors. Broughton and Thomas, however, point out that companies using open-book management have not reported an abnormal number of instances of disclosure of private data or employee work problems. Broughton and Thomas also write that, with proper financial training, employees will hopefully not act in ways detrimental to companies upon acquiring financial information.<sup>91</sup>

### Open-Book Management Case Studies

#### *Case Study 1: Springfield Remanufacturing Corporation*<sup>92</sup>

Springfield Remanufacturing Corporation (SRC), located in Springfield, Missouri, is a rebuilder of engines and components of engines. In 1983, the company has 119 employees and a debt-to-equity ratio of 89:1. Jack Stack, the plant manager, understood the extreme financial difficulties the company was facing and decided to make every employee comprehend its finances. From 1984 to 1996, annual sales increased from \$16 million to \$118 million with the implementation of open-book management, while stock price increased 200-fold. The company currently has over 1200 employees, has sales of over \$400 million a year, and has founded or invested in 35 separate companies work with engines.

SRC implements open-book management in the form of “The Great Game”. This focuses on three key concepts: “know and teach the rules, follow the

action and keep score, and provide a stake in the outcome to employees.”<sup>93</sup>

SRC believes in developing goals for key indicators, or “critical numbers”. This number is used to focus the business on reaching its goals. Sometimes the critical number is used as a line for success, and sometimes it is the amount of money needed for the business to survive. It helps employees focus their efforts and change habits and practices to adapt. The three concepts of “The Great Game” overlap to form this critical number.

SRC has a focus on contingency plans. Jack Stack believes firmly in economic cycle forecasting in order to prepare employees for potential downturns. In a business as elastic as automobile parts manufacturing, knowing when people are more likely to buy cars is crucial for success and setting the critical number.

Two-day seminars based on “The Great Game” and business workshops are held multiple times a month throughout the year to promote the idea of open-book management to businesses of various sizes. This seminar is \$1250, including lodging, food, and transportation to SRC.

Businesses in SRC are required to train employees to achieve basic financial data literacy. These include reading a balance sheet, understanding cash flows, and reading an income statement.

Monetary bonuses are provided to staff as a percentage of base pay and are tied to what each business determines as their critical number and how well they performed.

SRC is particularly open to staff members with information. Employees are trained in financial literacy and are provided with the financial data necessary to understand key indicator goals. If they need more information, SRC will provide it. Individual salaries are not reported, but are instead are added together in one line on financial reports.

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<sup>89</sup> Ibid.

<sup>90</sup> Ibid.

<sup>91</sup> Broughton and Thomas, 2012

<sup>92</sup> Baker & Smerek, 2010

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<sup>93</sup> Ibid.

## Reported Benefits and Drawbacks: SRC

### Benefits:

- Employees desire to achieve critical numbers because of ties to monetary bonuses.
- Employees gain a strong understanding of organizational culture.
- Employees are more likely to work better in teams with a common goal.
- Employees are better able to understand and communicate financial data.
- Employee retention rates are more likely to increase.

### Drawbacks:

- Some argue that this level of openness is an advantage to competitors in the same market.

## Case Study 2: Zingerman's Community of Businesses<sup>94</sup>

Ari Weinzwieg and Paul Saginaw started Zingerman's Community of Businesses in 1982 with a deli in Ann Arbor, Michigan. The business grew over the following decade and the owners planned an expansion to other small businesses. However, in the mid-1990s, despite being praised for its food and service, the company's finances were suffering.

Weinzwieg and Saginaw were inspired by Jack Stack's book "The Great Game of Business" to implement open-book management. Weinzwieg commented that it took Zingerman's about a decade to get good at the management method. By 2010, the Community of Businesses helped create eight businesses and an administrative service network called ZingNet. Zingerman's is now perceived as a success story for open-book management, particularly in the restaurant industry, and the company hosts seminars on the practice through their consulting branch Zingtrain.

Zingerman's makes use of huddles where teams work on whiteboards, known at Zingerman's as the Departmental Operating Reports, or DOR boards. These allow employees to work together and comment on the same workspace, rather than simply giving everyone financial data individually.

Most huddles include the concept of "monkeys", or an action that needs to be accomplished in the near future. A time is dedicated at every huddle to report whether these monkeys have been completed.

Mini-games are implemented with goals, scorecards, and rewards with the goal of improving operational performance. For example, if there are 50 straight days of on time deli deliveries, each person in the catering department receives \$50.

## Reported Benefits and Drawbacks: Zingerman's

### Benefits:

- Employees see immediate feedback at huddle meetings.
- There is reduced stress at the leadership role.
- Employees are on the same page and understand business complexities.

### Drawbacks:

- Implementing the huddle process can be difficult because there is often a natural resistance to taking time out of the week for meetings when there are perceived time constraints.
- Some employees can be upset when their ideas are not implemented after a huddle meeting.

## Case Study 3: Manco, Inc.<sup>95</sup>

Manco, Inc. is a medium-sized supplier of consumer products including office products, craft supplies, mailing supplies, and do-it-yourself products that it provides to retailers like Wal-Mart. Between 1971 and 1997, annual revenue for Manco grew from \$800,000 to \$167 million, with employee count growing from one to three hundred. Jack Kahl, Manco's former CEO, attributes this growth in large part to implementing open-book management.

Manco, Inc. implements many of the same concepts as SRC and Zingerman's. The company provides financial information to employees, creates a culture of financial data literacy, encourages employees to help make decisions in business operations, and offers rewards for Manco's success. Manco awards bonuses ranging from 10 to 50 percent depending on if the targets were hit or exceeded. Manco also holds games for employees much like Zingerman's.

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<sup>94</sup> Charles & Negron, 1997

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<sup>95</sup> Aggarwal & Simkinsa, 2001

In addition to these common practices, Manco makes several additional recommendations to businesses considering open-book management:

- Start open-book management with managers first. Manco believes that if managers do not understand OBM and its value to the organization, then lower level employees will be less likely to become involved.
- Extend business games to customers and suppliers, not just employees. These can be very light-hearted, but they can get the customer interested in the product and can get people talking.

Manco has the same level of openness with their employees as Springfield Remanufacturing Corporation and Zingerman's. Employees are given financial information and work together to achieve target goals. Like the other companies, Manco does not give individual salary information to employees. Some additional information, like patented and classified projects, is also not distributed.

#### *Reported Benefits and Drawbacks: Manco*

Benefits:

- Manco reports many of the same benefits and drawbacks from open-book management as SRC and Zingerman's, but also recommends building strong relationships with consumers and retailers by sharing financial information and creating mini-games for them.

Drawbacks:

- Supplying customers with product cost data can occasionally motivate them to negotiate for different prices.

## **RECOMMENDATIONS**

For open-book management to work effectively, it is imperative that business education be an integral part of the business culture. Employees cannot fully participate in open-book management without understanding financial statements or other indicators. In order to teach employees about financial statements and finances in general, companies should first teach their managers in "basic financial tools: income statements, cash flow

forecasts, budgeting process, and key departmental numbers."<sup>96</sup>

Companies should also survey their employees to learn the extent of their knowledge; firms can use the survey results to design targeting workshops. The learning workshops can be casual or even voluntary. Making the connection between daily tasks and the financial statements, and reinforcing the lessons in regular departmental meetings will result in better understanding of the process.<sup>97</sup>

Furthermore, firms should combine salaries, benefits, and other private or sensitive financial information on budget statements, rather than provide raw information to employees. Employees are thus able to view compensation costs and other matters without comparing their pay directly with other employees.<sup>98</sup> In addition, despite reports of resentment towards employees with high salaries, Broughton and Thomas actually find that "[e]mployees in open-book organizations better understand and therefore accept compensation structures more willingly."<sup>99</sup>

#### **We recommend that managers and employers answer several high level questions:**

1. What business would you like the company to achieve this year (e.g. sales growth, profits, operational targets, etc.)?
2. Is everyone in the company aware of what the objectives are?
3. "What would happen if each person in your organization knew what the goals were and tracked the company's progress toward them on a scoreboard?"<sup>100</sup>
4. What if the employees "not only monitored the numbers but also understood how [they]... could help push them in the right direction?"<sup>101</sup>

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<sup>96</sup> "How can we teach our employees," 2000

<sup>97</sup> "How can we teach our employees," 2000

<sup>98</sup> Broughton and Thomas, 2012

<sup>99</sup> Broughton and Thomas, 2012

<sup>100</sup> Case, 1998

<sup>101</sup> Ibid.

**We recommend that OWE take the following actions:**

1. Post indicators in an easy-to-understand format where everyone can see them, for example, as a scoreboard.
  - a. Pass out copies of financial and operation reports with key numbers highlighted.
  - b. Update the scoreboard as often as possible.
2. Provide financial education. Everyone in the company should know and be able to explain the importance of key numbers. Give pop quizzes about financial and operational numbers, and hand out rewards for correct answers.
3. Brainstorm ways to move indicators in a positive direction by gathering feedback, conducting experiments, and having volunteers research key variables and report back to the group.
4. Have managers predict financial outcomes for the following months. Accurate forecasts show understanding of key indicators and how to affect change.
5. Have managers and employees set short-term targets for key indicator goals with a reward for success.
6. Institute bonuses pegged to annual targets for key indicators.<sup>102</sup>

Huddles can encourage and enable employees “to make decisions based on what they know.”<sup>103</sup> Huddles are weekly meetings where employees look at financial data, forecast data for the next week, and discuss practices that can help these goals get achieved. The huddle system with reports on numbers, projections for future time periods, and generation of “an income statement, a cash-flow statement, and a forecast, which people take back to their own units,” is an important part of empowering employees.<sup>104</sup> Work gets done at the unit level and every unit must report on its progress on relevant business indicators.

## **SURVEY RESULTS ON OBM AT OWE**

This section will analyze an OWE employee survey which covered sustainability, training, employee satisfaction, and OWE business practices. The

survey, along with other qualitative research, contributed to many sections of this report.

Based on the results of the employee survey conducted in the spring of 2014, we have developed recommendations for OWE as they continue to implement and expand OBM. The complete survey methodology, can be found in the Survey Data Overview Section at the end of the report. A complete report on the specific questions and results can be viewed in Appendix E

The majority of survey respondents stated that they have a high to complete level of familiarity with the financial performance of their business unit (74 percent) (Question 22). All respondents stated that they have at least a low level of familiarity with the financial performance of the unit.

The majority of respondents (54 percent) stated that being aware of the financial performance of their business unit was of high to complete importance (Question 23). OBM can help achieve employee awareness of financial performance in a business unit. The respondents who do not believe that being aware of the financial performance of their business unit is important may simply be misinformed, unaware, or uneducated about the potential productivity increases and improvements that may result from awareness of the financial performance of the business unit.

The majority of respondents (74 percent) indicated that they are interested in learning more about the financial statements for their business unit. OBM can assist with providing this information and contextualizing it for the participants (Question 24).

The majority of respondents indicated that their business unit holds huddles (83 percent) with a small percentage unsure of whether their unit does or does not. We are aware that OWE is still in the process of implementing OBM at some of their business units.

Of the respondents who indicated that their business units hold huddles, 72 percent attend the huddles (Question 27). The majority of non-attending survey respondents indicate that the reason that they do not participate in huddles is because they are not scheduled to work during huddles (13 percent) or are too busy with other responsibilities to attend (75

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<sup>102</sup> Carney, 1999.

<sup>103</sup> Ibid.

<sup>104</sup> Case, 1995.

percent). Thirteen percent do not attend huddles because they do not feel that they learn much from them.

A majority of respondents (90 percent) stated that huddles help them learn more about what is happening in the workplace.

A majority of respondents (67percent) stated that the white boards used in huddles are effective in helping them understand the business unit's overall business performance (Question 29).

Just over 75 percent of respondents stated that they make decisions in their daily work based on the white board targets set in huddles.

Almost 95 percent of respondents stated that they understand how what they do in their job impacts the unit's financial statements.

Over 50 percent of respondents indicated ambivalence about the effectiveness of the whiteboard in helping them understand OWE's sustainability performance. This aspect of OBM could be emphasized more to inform employees about OWE's sustainability performance (Question 32).

Respondents stated that they would like to continue to improve huddles by including the entire staff, adding beer consumption/sampling, reducing repetition of information, getting more non-management persons involved, setting up the white boards so that gain share is not lost when all of the targets are hit, and making it mandatory that trainees attend at least one huddle.

### Open-Book Management and Triple Bottom Line

A growing number of companies today are considering the "triple bottom line" in their operations and performance measurements. For these companies, a triple bottom line framework and open-book management can be sustainable and complementary. Open-book management can help companies achieve and maintain sustainable efforts at all dimensions of the triple bottom line through the integration of social, environmental, and financial performance measurements. Open-book

management empowers "employees with knowledge of the critical numbers, enabling them to see where their innovative efforts can streamline operations, saving money and resulting in increased sustainability."<sup>105</sup>

Open-book management allows employees to make informed decisions and take action based on the information provided. As a result, employees begin to feel like an owner and contributor responsible for the organization's performance, and they become invested in the organization's environmental, social, and financial performance as well as its long-term sustainability.<sup>106</sup>

Open-book management can also assist companies with achieving sustainability goals by sharing indicators on environmental performance. One company that utilized open-book management to support sustainability targets, such as energy consumption, community involvement, and landfill waste elimination, is Burt's Bees. The company achieved its goal of landfill waste elimination at three facilities in 2010 after launching their "Live the Greater Good" program. The program aimed to achieve sustainability targets by increasing employee engagement to 100 percent by offering employees four mandatory annual modules: wellness, leadership, outreach, and environment. Indicators of performance measurement vary from year to year as short-term company priorities and focuses change, but any adjustments remain reflective of long-term goals.<sup>107</sup>

## TRIPLE BOTTOM LINE FRAMEWORK

### Origin and Definition: Triple Bottom Line

John Elkington coined the term 'triple bottom line' (TBL) in 1995; however, its use was not common until the publishing of his popular book, *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, in 1997.<sup>108</sup>

Unlike traditional accounting frameworks that strictly measure financial performance, the triple bottom line accounting framework measures an

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<sup>105</sup> Broughton & Thomas, 2012

<sup>106</sup> Ibid.

<sup>107</sup> Broughton & Thomas, 2012

<sup>108</sup> Vanclay, 2004



organization's social and environmental impact as well as its financial performance. Triple bottom line frameworks commonly refer to these three dimensions as the three Ps: people, planet and profits. TBL "captures the essence of sustainability by measuring the impact of an organization's activities on the world, including both its profitability and shareholder values and its social, human and environmental capital."<sup>109</sup> In other words, the triple bottom line serves as an agreement between an organization and its community on social and environmental matters.<sup>110</sup>

### Significance of Triple Bottom Line

Suggett and Goodsir attributed the significance of TBL for businesses seeking sustainable development to the following characteristics<sup>111</sup>:

- Accountability: Reflects the organization's accountability to stakeholders, employees and the community via demonstrating sustainable business development.
- Transparency: Reflects the organization's effort to be transparent about their activities and decision making, especially in terms of sustainability.
- Commitment to Stakeholder Engagement: Reflects the organization's effort to involve staff and external stakeholders in the process of objective setting and decision-making.
- Multi-Dimensional Measurement and Reporting: Reflects a more well-rounded analysis of the organization's performance, not merely in terms of bottom line but in all aspects of economic, social and environmental performance.

### Benefits of Implementation

TBL can demonstrate an organization's drive towards increased transparency, which enhances stakeholders' trust in the responsible operation of the organization/business and mitigates concerns about hidden information.<sup>112</sup> The system can unite employees and employers with common goals, especially those that affect more than the organization's financial performance.<sup>113</sup> A number

of studies point to additional benefits of implementing TBL.

Henriques and Richardson argued that implementing and measuring TBL can actually enable the organization to achieve costs savings from social/environmental improvements in organizational processes and business opportunities.<sup>114</sup> Willard and McTaggart pointed out that utilizing TBL helps enhance the organization image, resulting in easier hiring of the best talent.<sup>115</sup> Better implementation and measurement of social performance indicators also help reduce turnover and bring about savings on recruitment costs including the cost of position advertising, candidate screening, interviewing, and hiring.<sup>116</sup>

A recent study by Ekwueme et al. revealed that (1) consumers generally prefer products/services by financially thriving businesses that also contribute to the society's wellbeing in terms of social and environmental aspects; (2) sustainable businesses are better shielded from market crashes than non-sustainable ones; and (3) employees are more willing to contribute and stay with businesses that track and monitor all three dimensions of performance. In short, there is a distinct relationship between triple bottom line implementation and business performance.<sup>117</sup>

### Challenges to Implementation

Dollars are the obvious unit of measurement for profits. However, it is not always easy to measure social capital and environmental health using monetary units of measurement.<sup>118</sup> It can be challenging to find a common unit of measurement for these multi-dimensional indicators. The variety of indicators used in measuring operational quality against TBL can require substantial time and financial resources, which may deter motivation for applying the framework.<sup>119</sup>

The additional standards of reporting required by TBL will likely require the business/organization to change certain operating policies and processes and

<sup>109</sup>Slaper & Hall, 2011

<sup>110</sup>Jackson et al., 2011

<sup>111</sup>Suggett & Goodsir, 2000

<sup>112</sup>Jackson et al., 2011

<sup>113</sup>Ibid.

<sup>114</sup>Henriques & Richardson, 2004

<sup>115</sup>Willard, 2002; McTaggart, 2005

<sup>116</sup>Willard, 2002

<sup>117</sup>Ekwueme et al., 2013

<sup>118</sup>Jackson et al., 2011

<sup>119</sup>Ibid.

this triggers resistance to change due to fear of the uncertainty and risks.<sup>120</sup> Locating the necessary data and measuring a policy's social and/or environmental impact can be challenging. The company may limit chosen indicators to those that it can adequately track and measure.<sup>121</sup>

## Triple Bottom Line Indicators

### *Financial Indicators*

Financial performance is of paramount importance to the sustainable development of businesses. Stakeholders evaluate a business's performance based on its financial health. After extensive research into the restaurant industry, we have identified a comprehensive list of major financial indicators OWE can consider incorporating into the strategic plan to measure the first "P" (Profit) of TBL. These indicators and associated industry benchmarks are listed in the Financial Indicator Table in Appendix B.1.

### *Environmental Indicators*

In collaboration with the Sustainability Team, we have identified major environmental indicators, which, if tracked and monitored, may bring about financial benefits for OWE in terms of cost savings and better operational capability. These indicators and associated industry benchmarks are listed in the Environmental Indicator Table in Appendix B.2.

### *Social Indicators*

When organizations prioritize reputation and public perception, the weight given to social indicators may differ depending on the organization's structure. Staffing requirements and the individual circumstances of staff members shape social indicators as employers aim to improve working conditions.<sup>122</sup> Based on employee survey responses, triple bottom line case studies, and commonly used indicators within the Global Reporting Initiative's (GRI) G4 Guidelines, the indicators in the table below are appropriate for measuring OWE's social performance. These indicators fall under three social categories outlined by GRI: decent work, society, and product responsibility.<sup>123</sup> Each category

contains several subcategories and their corresponding indicators, which are defined by GRI. For a complete list of GRI categories and indicators, visit [globalreporting.org/reporting/g4](http://globalreporting.org/reporting/g4).

Due to OWE's concerns with employee satisfaction, special attention should be given to indicators falling under the category of decent work. The International Labour Organization (ILO) designates wages and working time as essential components of decent working conditions.

Occupational health and safety is another component of working conditions. Greater safety measures and fewer injuries, absences, and fatalities can improve productivity and morale. Health and safety does not appear to be an obstacle for OWE. No surveyed employees expressed concern regarding the safety in their work environment. More than three-quarters of employees agreed that they felt safe in their work environment; the remaining 21 percent neither agreed nor disagreed.

The Global Reporting Initiative's G4 Guidelines additionally list training as a performance indicator for labor practices and decent work. Measurements of training and education include the average hours of training employees receive and the percentage of employees who receive regular performance reviews.<sup>124</sup> Based on survey responses, OWE provides sufficient training in some aspects, but a portion of employees feel that more training would be appropriate. Eighteen percent of employees reported that they did not receive any formal training when they started their current position. Almost two-thirds of employees reported receiving less than seven days of formal training, while only a quarter of employees reported receiving seven or more.

Despite this reported lack of training for some employees, more than three-quarters of employees feel they received enough training to be an effective staff member when they started working. Furthermore, roughly half of employees feel that the majority of their coworkers are adequately trained. A large portion of employees, 41 percent, feels that one-fifth to two-thirds of their co-workers need additional training. Only 13 percent of employees

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<sup>120</sup>Ibid

<sup>121</sup>Slaper& Hall, 2011

<sup>122</sup>Kimmet& Boyd, n.d.

<sup>123</sup> Global Reporting Initiative, 2013

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<sup>124</sup> Global Reporting Initiative, 2013



reported that they feel more than two-thirds of their coworkers need additional training.

In addition to the amount of training received, the scope of training programs is equally important. More than two-thirds of employees rated their business unit's job training program in the areas of how to carry out job responsibilities, workplace policies, and unit organizational structure as strong or very strong. However, less than half of employees rated training programs in the area of sustainable business practices as strong or very strong. A third described training programs in the area of sustainable business practices as moderate, and a quarter of employees described them as weak or very weak.

As always, upholding the values of diversity and equal opportunity in the workplace is critical for retention of qualified and satisfied employees. Unequal opportunity and/or lack of diversity will leave organizations at risk for legal challenges due to discrimination and unfair compensation. With observation of these social performance indicators (and industry benchmarks listed in the Social Indicator Table in Appendix B.3), OWE can be confident that it is creating decent working conditions for satisfied employees.

## Triple Bottom Line Case Studies

### Case Study 1: White Dog Café

#### Company Information

<b>Company Name</b>	<b>White Dog Café</b>
<b>Type of Organization</b>	Private
<b>Industry</b>	Restaurant
<b>Total Revenue</b>	\$5 million
<b>Location</b>	Pennsylvania, U.S.
<b>Number of Employees</b>	90 (as of 2008)

#### Triple Bottom Line Indicators:

- *Economic:* Expenditures directed toward local suppliers, location of ownership and workforce
- *Environmental:* Reduction in energy use, renewable energy use, recycling, composting
- *Social:* Worker representation in decision making, benefits (e.g., work schedules, medical, wages, retirement, sick leave, parental leave, counseling), association membership, ratio of

highest paid to lowest paid employee, employment grievance procedures

#### Governance and Strategy:

The White Dog Café is a Philadelphia restaurant that has been in operation since 1983. Founder Judy Wicks expanded the restaurant by investing locally and capped employees at 100 in order to maintain relationships and a sense of community. In 2009, Wicks chose to sell the restaurant to current owner Marty Grims in order to focus on her nonprofit work on the condition that he maintains the restaurant's local and sustainable operations.<sup>125</sup> In addition to the three Ps of people, profit, and planet, Wicks suggests consideration of a fourth P: Place.<sup>126</sup>

#### Products and Operations:

Wick considered local sourcing of ingredients as critical. All ingredients are organic, with the majority sourced from farms within a 50 mile radius. Animal welfare and fair trade certification are equally important.<sup>127</sup>

In order to reduce the restaurant's carbon footprint, regional wind power provides White Dog's electricity. The restaurant also participates in a recycling program that involves composting and reusing used frying oil as bio-diesel.<sup>128</sup>

When profit allows, management directs expenditures to workers to ensure they have a "living wage" and additional benefits including health insurance, retirement, and non-traditional benefits like computer loans.<sup>129</sup> Furthermore, management maintains a reasonable ratio of the highest paid to lowest paid employee.<sup>130</sup>

Externally focused education programs play a large role in restaurant services at the White Dog. They provide tours and workshops aimed at educating consumers about sustainability issues including renewable energy, water conservation, and sustainable farming. As Wicks explains, she uses

<sup>125</sup>Shuman et al., 2009

<sup>126</sup>Vaccaro, 2009

<sup>127</sup>Shuman et al., 2009

<sup>128</sup>Turck, 2007

<sup>129</sup>Ibid.

<sup>130</sup>Vaccaro, 2009

“good food to lure innocent consumers into social activism.”<sup>131</sup>

Addressing the triple bottom line proved successful for White Dog in terms of community engagement and public outreach, but some drawbacks were evident. Despite Wicks’ best efforts to consider the restaurants’ servers in the triple bottom line, workers organized out of fear of losing benefits. They accused Wicks of hiring an overly corporate manager to take her place during her sabbatical.<sup>132</sup>

In addition to labor disputes, the restaurant encountered financial challenges. Even with consistent sales and entrees priced at \$30, equity was consistently negative as liabilities exceeded assets. Debt to shareholders increased annually, and the restaurant was upheld by shareholder financial infusions. Wicks explained that allocation of resources to three bottom lines rather than one requires making difficult investment decisions among the three P’s and occasionally sacrificing financial security.<sup>133</sup> Financial information from operations after the 2009 sale was unavailable.

#### Accounting and Reporting:

Wicks measured and shared the White Dog Café’s social and environmental performance as a B Corporation Report Card.<sup>134</sup> The nonprofit B Lab provides B Corporation certification, which measures social and environmental performance, accountability, and transparency. Over 500 corporations have currently registered as Certified B Corporations. B Corporations are not the equivalent of benefit corporations, which is a legal status administered by the state. Benefit corporation legislation is currently underway in the state of Indiana.<sup>135</sup>

The restaurant’s website briefly addresses the issue of sustainability, and mailing list subscribers periodically receive sustainability-focused newsletters that provide detailed information on what the restaurant is doing to reduce its

environmental impact.<sup>136</sup> An extensive sustainability report is not provided.

#### Lessons Learned:

- Recognize the importance of social and environmental performance, but maintain profitability essential to operations. Aim for balance among the branches of triple bottom line, but consider the feasibility of existing and new goals before undertaking investments.
- Implement adequate employment grievance procedures and dispute resolution mechanisms. Provide an outlet for employee frustration in the workplace.
- Complete B Lab’s B Impact Assessment to receive a B Impact Report, which scores a company’s impact on stakeholders. A minimum score of 80 out of 200 is required to begin the process of becoming a Certified B Corporation.

#### Case Study 2: Lussmanns Fish & Grill

##### Company Information

<b>Company Name</b>	<b>Lussmanns Fish &amp; Grill</b>
<b>Type of Organization</b>	Public
<b>Industry</b>	Restaurant
<b>Total Revenue</b>	NA
<b>Location</b>	United Kingdom
<b>Number of Employees</b>	41-200

#### Triple Bottom Line Indicators:

- *Economic:* Expenditures directed toward local suppliers
- *Environmental:* GHG emission reduction (from food delivery), energy efficiency, sustainable and local food sourcing, compliance with animal welfare standards, use of recycled materials, waste reduction, recycling and composting
- *Social:* Sustainability awareness and public outreach, staff induction and training, charitable donations

#### Governance and Strategy:

Established in 2002 in North Kensington, Lussmanns branched out with a bicycle delivery service. In 2012, before the addition of a third branch, Lussmanns served roughly 100,000 diners

<sup>131</sup>Ibid.

<sup>132</sup>Shuman et al., 2009

<sup>133</sup>Ibid.

<sup>134</sup>Ibid.

<sup>135</sup>B Lab, 2014

<sup>136</sup>White Dog Café, n.d.

and increased turnover by 12 percent even in the face of a recession. Now, the restaurant has three locations in St. Albans, Hertford, and Harpenden.<sup>137</sup> Lusmanns Fish & Grill states that it aims to be a sustainable restaurant with a mission to have a minimal environmental impact.

Director Andrei Lussman established the restaurant with ethically sourced food and good service in mind and that tradition has continued. All employees receive induction and ongoing training that incorporates awareness of sustainability issues.<sup>138</sup>

#### Products and Operations:

The restaurant's focus is on ethical and sustainable sourcing of ingredients. Ingredient choices consider local, seasonal, organic, and fair trade opportunities. Served fish are caught with ecologically sensitive, sustainable methods, while the chicken, pork, and beef are free-range.<sup>139</sup>

With the use of biodegradable doggy boxes and catering disposables made entirely with recycled materials, reusing or returning crates from deliveries, recycling three-quarters of waste, and composting leftovers for electricity production for the national grid, the business has achieved a score of 100 percent in waste management from the Sustainable Restaurant Association.<sup>140</sup>

Lusmanns also supports a number of local charities and charitable events through direct donations, raffle prize donations, and special rates for event catering.<sup>141</sup>

#### Accounting and Reporting:

Ratings from the Sustainable Restaurant Association are the foundation of the Lusmanns sustainability report. Lusmanns has received the highest possible rating of three stars. The restaurant's website provides a detailed summary of what the restaurant is doing for the environment and local communities and information about suppliers.<sup>142</sup>

<sup>137</sup>Guardian Sustainable Business 2013

<sup>138</sup>Ibid.

<sup>139</sup>Ibid.

<sup>140</sup>Bakolori Restaurants Ltd, 2014

<sup>141</sup>Ibid.

<sup>142</sup>Ibid.

#### Lessons Learned:

- When sourcing ingredients, always consider ethical and sustainable sourcing of produce and animal products. Take advantage of local, seasonal, fair-trade, and organic options when feasible.
- As a catering service, consider providing special catering rates for charity events as a simple way of supporting local organizations.
- Utilize measures and ratings provided by third-party associations when developing an annual sustainability report.
- Make information about current sustainable practices, achievements, and suppliers readily available online to customers

#### Case Study 3: Blackmores

##### Company Information

<b>Company Name</b>	<b>Blackmores</b>
<b>Type of Organization</b>	Public
<b>Industry</b>	Healthcare
<b>Total Revenue</b>	A\$217.1 million
<b>Location</b>	Australia, New Zealand, ASEAN countries
<b>Number of Employees</b>	450

#### Triple Bottom Line Indicators:

- *Economic:* Direct economic value generated and distributed
- *Environmental:* Percentage of genetically modified ingredients, compliance with animal welfare standards, composition of packaging materials (recycled or reused content)
- *Social:* Employee engagement, charitable donations

#### Governance and Strategy:

Blackmores, a well-established provider of naturopathic healthcare products, began its journey to improved sustainable business practices in 2009 with the development of its future growth strategy. The strategy incorporated sustainability objectives linked to performance pay into executive plans.<sup>143</sup>

<sup>143</sup>The Institute of Chartered Accountants in Australia, 2011

Blackmores provided employees a one-page Vision Statement that outlined the strategy and expected outcomes as well as a Journey diagram that highlighted the sustainable foundation of the Vision. The company also conducted roadshows at all its locations, where executives introduced and explained the strategy, vision, and journey to employees. Employee engagement was essential for successful implementation of the new strategy. Blackmores achieved a 46 percent total shareholder return and more than 80 percent employee engagement in 2010.<sup>144</sup>

#### Products and Operations:

Collaboration with contract manufacturers and an audit of the supply chain of more than 350 ingredients allowed the company to determine each ingredient's genetically modified status. A Strategic Sourcing Group is responsible for facilitating supplier and manufacturer audits, tightening product labeling, and determining the overall sustainability of ingredient sources.<sup>145</sup>

The relocation of employees to a new office building with numerous green features united Blackmores' workforce and improved working conditions and productivity. Blackmores aimed to provide a healthy work environment with the new facility and they recorded a reduction in the number of sick days and a 26 percent productivity gain in the initial year following relocation.<sup>146</sup>

Blackmores invests in the community by supporting medical research institutes and foundations through fundraising support and direct donations. Additionally, the company encourages its employees to become involved in the company's charitable activities by opting to donate 0.5 percent of their taxable pay, which is matched by Blackmores. Participating employees nominate charities of their choice, and two charities are selected to receive the match employee donations every year.<sup>147</sup>

#### Accounting and Reporting:

A reporting team supports sustainable practices by sourcing grant funding, collecting data, and tracking

internal performance. An integrated reporting template includes Blackmore's economic, environmental, and social performances against the company's future growth strategy. The report includes some quantitative statistics and qualitative summaries, but it lacks baseline targets that performance can be measured against.<sup>148</sup>

Blackmores is considering building on current integrated reporting practices by adopting the internationally recognized Global Reporting Initiative reporting framework. Such a framework would provide a more formally structured report that requires more quantitative information regarding performance targets and achievements.<sup>149</sup>

#### Lessons Learned:

- Communicate sustainability goals and associated practices across the company, involving all executives and employees at all company locations.
- Form cross-functional teams to assist in the implementation and improvement of sustainable practices.
- Make sustainability values part of the company's recruitment policy.

## RECOMMENDATIONS

### We recommend that OWE take the following steps to implement Triple Bottom Line

#### Accounting:

A balanced scorecard for triple bottom line accounting can be an effective framework to help the organization deploy, implement and monitor triple bottom line indicators. In order to design and implement a balanced scorecard, we recommend the following steps:

- Agree across the organization on the new vision for the company, i.e. to become a socially and environmentally responsible business that goes beyond focusing on the single figure of profit.
- Revise values and goals to reflect each dimension of the triple bottom line.
- Agree at top management level on targets for the year and deploy the targets across the organization's business units. If the organization has been applying open-book management, incorporating new TBL-oriented targets into

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<sup>144</sup>Ibid.

<sup>145</sup>Ibid.

<sup>146</sup>Institute of Chartered Accountants in Australia, 2011

<sup>147</sup>Blackmores Australia, 2014

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<sup>148</sup>Institute of Chartered Accountants in Australia, 2011

<sup>149</sup>Ibid.

open-book practices with employees, such as huddles at Lennie's, will facilitate this process.

- Devise action plans needed to ensure targets are met, including a timeline and identification of the person responsible. This can also be facilitated through open-book management by involving departmental/unit employees in actually setting the targets via a combination of top-down and bottom-up target setting approach.
- Devise specific performance measurement criteria (or scorecards) to evaluate the organization's progress towards achieving agreed targets based upon the triple bottom line. The "whiteboard" framework currently used at OWE can incorporate important triple bottom line indicators. Similar to (4), a collaborative approach can minimize the impact of organizational resistance.
- Design and implement a control mechanism to measure organization-wide results against targets at least quarterly. Organizations often use traffic light reporting: red (target not met); yellow (slightly behind); and green (targets met and no foreseen issues). Upon a red or yellow light, management should identify root causes and actions to take either at a specific department level or across the board.

There should be one main scorecard for the whole organization, and a unit scorecard for each unit/department built upon specific measures in the main scorecard. Each full-time employee within the unit/department should also have an individual performance scorecard, so they are clearly aware of how their specific role in the organization benefits the unit scorecard as well as the organization's main scorecard. The deployment of unit/departmental and individual scorecards can greatly assist the organization in furthering the objective of open-book management, enhancing employee satisfaction while improving operational oversight and, very likely, business outcomes.<sup>150</sup>

### **We recommend that OWE integrate Triple Bottom Line into external financial reporting:**

Traditional financial statements present the organization's internal financial flows (income

versus expenses) in a summarized profit-and-loss account format of most interest to shareholders, but may not be easily comprehensible to other stakeholders who are more interested in how much the organization contributes to the economic, social, and environmental landscape of the organization's community. Restating financial information in ways which draw out sustainability related information will help enhance the organization's image in the eyes of a wider group of stakeholders, not just shareholders or employers who are financially knowledgeable.<sup>151</sup> An example from the South African Breweries Company, as well as an illustration of how the framework can be applied to Lennie's, is provided in Appendix B.4-5

**Additional accounting for external flows:** This takes into account external impacts that accrue to third-party stakeholders. Calculating the triple bottom line in financial terms requires converting these externalities into monetary values. The detailed list of external costs and benefits for OWE's consideration can be found in Appendix B.6.

### **Recommendations for Integrating Triple Bottom Line into Internal Operational Management:**

1. Review the comprehensive list of indicators.
2. Select the indicators which suit OWE's management and resource allocation priorities.
3. Agree on the goals/targets and measurement criteria for each indicator selected.
4. Devise strategies to implement the indicators across OWE's business units.
  - Gradually introduce the indicators to staff through the use of mini games or competitions among staff/units to meet certain targets set for the indicators.
  - Integrate the indicators into the current open-book management platform with the use of whiteboards and huddles.
  - Use huddles as the venues to educate staff about triple bottom line indicators and demonstrate how each indicator relates to financial statements, external stakeholder expectations, and long-term sustainable development of OWE.

<sup>150</sup>Local Alchemy, 2013

<sup>151</sup>Global Reporting Initiative, 2002

- Review current indicators on whiteboards and see if the indicators can be combined under more strategic triple bottom line indicators to facilitate staff's understanding of how their specific roles and responsibilities (usually assigned to a specific indicator) impact the strategic development of the business.
  - Continuously seek staff's feedback in re-evaluating the choice of indicators.
5. Implement tracking and monitoring mechanisms to ensure target fulfillment.



# Business Model

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## INTRODUCTION

The business model group researched best practices pertaining to an open source business method. Along with this, we explored employee satisfaction within OWE and indicators for measuring performance. The following sections will explore current OWE business practices and offer recommendations for improving parts of the current business model. An analysis of the employee survey was used to determine what OWE can do to improve staff engagement, satisfaction, and performance. Then, in the last section we provide metrics that can be used to track business performance.

## OPEN SOURCE VS. FRANCHISING

### Introduction

For many aspiring business owners, franchising is the most viable choice when developing their company. However, franchising can have severe negative impacts on the environment of a growing business. We think that One World Enterprises' workshop, outreach, and open source model should be a viable alternative to franchising, since it lowers the cost of entry and improves the quality of management for new or growing local businesses. It is important to realize that OWE's programs cannot entirely replace franchising: the model has many advantages that are difficult to replicate. This report lays out an open-source method that has the potential to solve many problems associated with a traditional franchising model.

### Franchising

#### *Franchising Advantages*

Although substantial criticism of the franchising model exists by franchisees, trade groups, and civic organizations, its continued usage indicates that there are some advantages to most participants in the process. In fact, franchising helps overcome the two most important roadblocks to young businesses and business owners: access to capital and business expertise.

While franchises can be cheaper than starting a business from scratch, the real advantages come from accessing a customer base familiar with the product and encountering already known costs. New business owners face cost uncertainty that franchising can help to resolve. Franchises can also give new business owners a low-cost, stable set of suppliers. In addition to lower costs, some franchising arrangements target

minority or veteran business owners that are underrepresented in entrepreneurship.

In addition, the franchising model presents an "out-of-the-box" approach to running a business. Aspiring business owners may not have the knowledge of employee training, human resources, or financial management, but a franchise offers them a degree of certainty on tasks that are otherwise quite daunting. These management hurdles are not insignificant: the Small Business Administration has reported that most small businesses fail because of weak management.<sup>152</sup> Any process that reduces the difficulty of business management will help new ventures establish a foothold.

#### *Franchising Disadvantages*

There are, however, several categories of costs to the traditional franchising model. Franchising operations run the gamut from potentially exploitative relationships to reasonable and mutually advantageous business relationships. Given the number of franchises in the United States (more than 450,000 in 2007<sup>153</sup>), there are likely many that experience disadvantages, and many aspiring business owners who shy away from opening a business as a result. Broadly, they fit in three categories: economic, community, and individual impacts.

Franchise relationships can come at high economic costs to uninitiated businesspeople. Most straightforwardly are the fees: startup fees are generally in the \$20-30 range, although some can run as high as \$100,000. The standard revenue agreement is that the parent company gets four to eight percent of revenue, and most also have additional payments for

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<sup>152</sup> Obringer, 2001

<sup>153</sup> Census.gov, 2010

advertising.<sup>154</sup> Most contracts mandate specific supply purchases from particular sources, which can make the individual branches vulnerable to inflated pricing to the captive market. Local supplying decisions would promote competition and price savings that could be passed on to the business owner or consumer,<sup>155</sup> and having predetermined sourcing decisions dramatically reduces the ability of the franchisee to support other local businesses or promote environmental sustainability.

Worse yet, if a franchisee finds him or herself in an exploitative or unfair situation, she may have no legal recourse. Under current Federal Trade Commission governance, 38 states allow franchisees no private right of action (that is, no ability to sue the employer as an employee on behalf of yourself and others). The FTC acts on less than six percent of the complaints about franchising that it receives, and brings these cases to federal court in only two percent of them. Contract agreements will often require the franchisee to waive his or her rights to dispute methods of the franchisors. Some franchisors even intimidate their franchisees “either contractually or procedurally” in their associations.<sup>156</sup>

Secondly, franchising can have effects on a local community. Local ownership of small companies matters in the most basic economic sense to the success of a community: research from 2011 found that the density of locally-owned small companies was a statistically significant predictor of local per capita income growth.<sup>157</sup> Local ownership meant higher rates of economic circulation in the local economy, promoting higher income for all area residents. If a significant portion of a business’s profit is going to a distant headquarters, it can mute or negate these impacts. The study also found that a high density of large, distantly owned firms was *negatively* correlated with income growth.

Local flavor matters for economic and social reasons, as downtown revivals and increased focus on the quality of communities have become more common. An area with little local culture is unlikely to attract people, and lead to a vicious cycle in which employers

are unable to attract talented workers and thus unlikely to expand and grow. An area that is too reliant on franchises and has little to draw tourists can also lead to difficulties in celebrating the uniqueness of the community.

Finally, there are substantial impacts on individual franchisees. The expertise that comes with operating a franchise usually comes at the price of flexibility and creativity. Rarely will franchise operations not include in the contract the exact products, services, or formats for selling a product. This is not always a crucial part of owning a business, but many would-be business owners get involved because they are interested in the creative process of creating a product or catering to local customers with a local’s understanding.

Along with this, a national firm’s reputation can be associated with a particular branch, rightly or wrongly. While firm reputation can be a boost to the brand of a local franchise, occasionally franchises may suffer from choices beyond their control. Chick-fil-A, for instance, is trying to put some distance between itself and future comments on politics after the CEO made comments about same-sex marriage,<sup>158</sup> a decision that has affected local branches that did not care to comment. A video posted to YouTube by two employees affected Local Domino’s Pizza franchises – an effect that was not entirely reversed by a personal appeal from Domino’s president.<sup>159</sup>

### Open Source System

In designing an open source system, we first need to answer: “What do new business owners need, and how can we package what OWE knows to make it easier for them to achieve their goals?” New business owners are typically short on financing and mentoring, as discussed above. Franchising can ameliorate but not solve these issues, and an open source method of “franchising” if well designed, could have similar impacts.

However, the system that OWE aspires to create is somewhat different. The One World ethos is about making better communities, better environments, better workplaces, and products that exhibit all of these traits. OWE is interested in creating a system for

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<sup>154</sup> American Franchise Association, n.d.

<sup>155</sup> Ibid.

<sup>156</sup> Ibid.

<sup>157</sup> Fleming and Goetz, 2011

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<sup>158</sup> The Columbus Dispatch, 2014

<sup>159</sup> Libava, 2011

more than just starting or maintaining a business; they want to enable the sharing of best practices on all of these issues as widely as possible.

## RECOMMENDATIONS

We recommend that OWE ought to work on three principles publicly and freely distribute only the information that makes sense to share, use open source as a non-coercive means to promote the OWE way, and strive to provide “out-of-the-box” style support.

### Share Information Freely

Local sustainable businesses like OWE do not operate on a “trade secret”-obsessed business model. OWE managers have stressed to our group since starting our work together that competition, even local competition, is actually healthy for their business. This philosophy is much more in line with contemporary theory about how economic development works. With this in mind, we think that the open-source model OWE hopes to establish will promote business best practices across the board – helping regions near and far establish their own local business that follow the OWE way.

In order to make this dream a reality, however, OWE does not need to share all information publicly. For example, even if OWE promotes the practice of open-book management accounting among its establishments and neighbors, the company does not need to publicly post a spreadsheet containing all of OWE’s financial information for the entire public to view. Instead, OWE needs to focus on information that can help new businesses establish an innovative new practice or immediately help them work towards meeting their goals. To complement other forms of workshops that OWE hopes to establish, the information provided here should be introductory and general in nature.

A common theme among businesses or groups that want to share their work is the Community of Practice (COP). A COP is a group of practitioners that learn how to better accomplish what they do by working together and sharing ideas on their craft. The idea is gaining currency both in private business establishments and trade groups, as well as in public sector entities. The idea is simple: each individual (or in this case, business) will face a series of very similar challenges as they are establishing a foothold in their craft, challenges that have already been solved by

established businesses. These challenges are some of the ones that cause potential business owners to seek out franchising relationships, which as we have previously discussed, are potentially exploitative. Having channels open to promote informal learning networks can help overcome major obstacles for new business owners. It is important to understand, however, that the learning model is not unidirectional: starting businesses may have an innovation that could revolutionize the processes of an established business, or businesses of the same type may have insight for one another.

We recommend that a long term goal of OWE, through its open source and paid workshop business model, should be to become a hub of a Community of Practice for food service, catering, pizza, pub, and other related industries. There are several methods for doing this. A necessary but not sufficient step is to understand the concepts behind a COP and establish information sharing that will help promote self-sustaining networks: the whole point of a COP is that there is no single point of control. If possible, OWE should try to establish an online gathering place for ideas that can help create a positive business environment. The creation of an Internet forum, in conjunction with the other outreach and education projects that OWE is planning, would be relatively easy to undertake. With an established platform and enough participants, the forum could become a self-sufficient means for communication and idea sharing among businesses. In conjunction, OWE could use other forms of social outreach, such as establishing a blog as a vehicle for discussing good ideas. Promotion will be key to promote and retain involvement. The next subsection discusses how the open source model should make up a part of OWE’s outreach.

### Promote Open Source

In the world that OWE envisions, promoting the adoption of innovative business ideas and personal brand success are not mutually exclusive. The methods and ideas that OWE promotes are a product just like any other, and a good one for which we expect there to be ample demand. We recommend that an open-source business model be used in two ways: as a part of OWE’s brand, and as a way to promote interest in developing a line of leadership workshops.

In the current business environment, businesses that do good also tend to do well. Having a friendly, customer

and worker-oriented business is an advertisement in itself. An excellent example is the user-friendly and non-coercive method of franchising pioneered by companies like Great Harvest Bakery. Originally based in Montana, the bakery has built a nationwide system of stores that operate on the basis of total local flexibility as well as a franchisee-oriented model of franchising. The system has gained the approval of customers and franchisees alike: it is one of only two restaurants to be awarded the “Fair Franchising Seal” of the American Association of Franchisees and Dealers.<sup>160</sup> Their website openly provides their fees for taking part, how they make location decisions, and allows potential business owners to engage in a substantive dialogue with the franchise operators.<sup>161</sup>

While Great Harvest proves that a friendly system can be good for franchisees as well as businesses, there are some drawbacks. The costs to sustain such a system are high: the \$100,000 start-up capital and seven percent on gross profits for the first several years could put a Great Harvest establishment out of the price range of potential business owners. Under the OWE open-source system, the benefits of such a system can be combined with lower costs. By establishing a system that promotes innovative and entrepreneurship friendly practices, OWE is much more likely to promote itself as the type of place people want to work in and visit. As the value of local ownership and control of establishments continues to grow across the nation, the brand value of being a center for local ownership practices will grow as well.

Secondly, the open-source model should be integral to promoting the workshop model OWE aims to establish. Getting young businesses to use the free information available to them through outreach or Community of Practice efforts is an excellent hook into getting them involved in OWE’s workshops. In the same way that customers appreciate a friendly brand, potential workshop attendees should already have a positive and trusting conception of the education before they sign up for a workshop. At the same time, certain business ideas lend themselves much more to free distribution than a workshop format (described in more detail in the next subsection), but it would be relatively easy for OWE to use information that cannot fit into workshops

as a way to promote interest in the other side of its business model.

### **Provide “Out-of-the-Box” Support**

One thing that stands out from our research into franchising is that many more people would open their own business if they felt they had the tools. The main reason for the overall success of franchising is the relative ease of tapping into an established plan. As was outlined in earlier sections of this report, however, franchisees trade a large degree of the personal autonomy that can make owning a business so interesting, exciting, and personally fulfilling. The type of information that makes up OWE’s open-source database should be easily accessible and widely applicable in order to meet the best of both worlds.

Rhino Foods of Burlington, VT provides an excellent starting point. A food products company that started out as a single ice cream parlor, Rhino Foods has promoted an intriguing model for best practice sharing. Focusing on four main innovation areas (employee health, open-book management, employee financial support, and avoiding seasonal layoffs) Rhino has produced a series of videos explaining each program, program outcomes, and a simple “white paper” with a list of steps to implement the program or share among other businesses.<sup>162</sup>

This is a great starting point for how OWE should share information. If there is a useful program with easy step-by-step instructions that a wide variety of businesses could pick up with relative ease, OWE should include it within the open-source model. Examples could include a simple environmental sustainability trick that BBC has picked up over its years in operation, or an interesting program to promote employee community involvement dreamed up by a Lennie’s employee. These type of discreet programs are not only easily implementable, but also present opportunities for businesses that work in a large number of sectors, further spreading OWE’s influence as a purveyor of interesting ideas.

A good starting point for this task is to use the results of this Capstone’s research and the website presenting our results as a way to distribute interesting ideas. We

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<sup>160</sup> American Association of Franchisees and Dealers, n.d.

<sup>161</sup> Greatharvest.com, n.d.

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<sup>162</sup> Rhinofoods.com, n.d.

have many subgroups working on different aspects of OWE's work, and some of our results will be interesting to companies in a number of fields.

## Conclusion

This section has looked critically at how franchising operates and investigated the viability of an open-source model to promote independent business development. Although franchising will always be advantageous under certain circumstances, potential business owners need more options to pursue their business development.

A single company cannot solve the problems associated with franchising. A system of companies that have the same vision for success, however, could be immensely powerful in making a more sustainable and human-friendly model of business operation. With the implementation of an open source system, we think that OWE could be on the forefront of a huge growth trend at the same time that they help revitalize local businesses.

## EMPLOYEE ENGAGEMENT

### Introduction

This section will analyze employee engagement at OWE, defined as an individual's involvement and satisfaction with as well as enthusiasm for work.<sup>163</sup> This will include discussions on employee training, employee relationships, and both inter-company communication and communication between different OWE entities. Past research has found that positive employee engagement is correlated with customer satisfaction and hence, company success and profitability. A meta-analysis of 36 companies concluded that across all companies surveyed, positive employee attitudes strongly benefit customer satisfaction, while negative employee attitudes are correlated with high employee turnover.<sup>164</sup> This is particularly important in the service industry, where employee-client interactions are numerous and therefore critical.

To facilitate our research, we used a number of resources, including past literature, case studies of similar businesses, and qualitative research. Below is an overview and summary of our findings from the

qualitative research. Based on these findings, we have assembled a series of recommendations that OWE can use to guide future initiatives and improvements. We put the most emphasis on strategic thinking and communication among management, the need for a structured training program for hourly employees, and the need for performance evaluations at both the management and hourly level.

### General Survey and Focus Group Findings

This section will summarize and connect findings from various qualitative methods as they pertain to employee satisfaction. The qualitative methods include an employee survey that received 33 responses, a pre-survey focus group with six participants, a post-survey focus group with six participants, and a management meeting with 12 managers.

To better understand how OWE employees view the structure, values, and management of OWE, the Business Model Group developed questions focused on employee engagement. Survey responses were distributed fairly evenly between Pizza X, Lennie's, and One World Catering staff members. There were 16 survey responses from both Pizza X and Lennie's, and 11 responses from One World Catering. One individual from the brewery and three individuals from the main office completed the survey. Representation in the focus groups and management meetings was similar, with the majority of participants employed by Pizza X and Lennie's. Most of the survey respondents (79 percent) had worked at OWE for longer than a year. Since the majority of participants have completed training and acclimated to the organization and its mission, we believe that the views fairly represent the accomplishments and the shortcomings of the organization. The following section will address the themes identified in the analysis of the focus groups, management meeting, and survey.

### Training

Based on survey results and focus group comments, the volume of training an employee receives, as well as the quality of training, varies substantially. Almost a quarter of employees that participated in the survey felt that they did not receive enough training to be an effective staff member. Furthermore, there is significant variance in the number of formal training days that new employees receive. For example, 18 percent reported receiving none, while 25 percent

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<sup>163</sup> Harter., Schmidt, & Hayes, 2002

<sup>164</sup> Ibid.



reported that they received seven or more days of training. It is important to note that this variance could be largely attributed to subjective interpretations of the term “training.” However, this in itself indicates that OWE would benefit from having a standard training structure, so that all employees, regardless of their position or entity in which they work, are required to complete a specific training period.

Open-ended responses to survey questions expressed a need for updated and improved training procedures. Currently, the quality of training varies depending on who is in charge of conducting the training. OWE does not specifically designate employees as trainers, and one respondent felt that they would have benefited far more if a veteran employee had trained them, rather than a more recent hire. Focus group participants at both the management and hourly level reinforced this idea and also indicated that the company would benefit from more structure in training practices. Responses from the survey and focus group also suggested that ongoing training could be helpful, particularly for new initiatives, as many seasoned employees follow engrained routines that may need to be revamped.

## Employee Happiness

### *Work Environment*

The employees expressed overwhelming satisfaction with the overall organization. This is an important factor since unsatisfied employees can negatively influence the company’s image in the eyes of the community and affect customer service. As a community name and brand, it is especially crucial that OWE employees are satisfied with their work environment. Employees that enjoy coming to work will project that happiness onto their customer base, enhancing the overall OWE experience. When asked to what extent they agreed with OWE being a great place to work, 72 percent either agreed or strongly agreed. No one disagreed or strongly disagreed. A strong majority of employees felt that their values and future goals aligned with their current position and the company. Stress in the workplace is one factor that could potentially lower employee happiness. However, employees in the survey and the focus groups did not appear stressed beyond what would be considered a normal level for a service position, where some days are busier and more unpredictable than others.

### *Coworker Connection*

Employee happiness will be reduced if individuals do not have some sense of companionship with their coworkers. In observing interactions between employees during the scheduled focus groups, in the workplace, and at huddles, we found that OWE employees have strong connections and friendships. Employees greet each other by name and often with hugs, which shows signs of closeness and respect. The focus group participants pointed out that meeting coworkers outside of work is a normal occurrence for many employees. The participants said their performance was definitely better because of their bond with other employees. In the survey, 73 percent of respondents replied that one of the main reasons they keep coming back to their job is because of friendships. Of the choices given to respondents about why they stay with OWE, this response received the highest number of replies.

## Employee-Employer Relations

### *Management*

Respondents were given a list of areas and asked to mark the ones they thought could be improved at OWE. Choices included pay, work hours, benefits, staff, values, management, and nothing. Management was the second highest choice, following pay. Other questions provided more insight into this subject. Respondents had the choice to answer never, sometimes, most of the time, and always for a set of management questions. When asked if supervisors were effective leaders, 33 percent answered never and sometimes. About the same percent felt that management never or sometimes addressed concerns and acted on suggestions. While this type of question can be subjective due to the scale, these responses still show the variance present in how employees feel about the effectiveness of management.

The focus groups were also asked about management. There was strong agreement that management was usually available to talk, if there was a problem or concern. The focus group responses to management were positive with very little comment on the matter from the participants; however, questions on effectiveness and enforcement of rules were not greatly pursued by the leaders.

There were many responses to the open-ended question regarding how supervisors could improve the work environment. Just over half of the responses



were either positive or mentioned fixing physical space. Examples included: “they do a great job - nothing comes to mind,” and “fix the parking lot/alley at Crosstown where Lennie’s/Pizza X are located.” Negative responses, which consisted of about half of the answers, included, “I think our manager doesn’t really know how to lead and inspire people and definitely doesn’t know how to train...” and “be on the same page, pay attention, create a balanced work environment, step up, actually do managerial duties, don’t take the easy road out.” While criticism from employees is expected, disagreement stemmed from managers on good management practices. A long conversation at the management meeting revolved around why some employees are less engaged. This conversation focused on discussing whether it was the manager’s duty to get the person more involved or if it was a personality trait that could not be helped. While it is likely a combination of these, we suggest some steps should be taken to ease the tension, or at least promote healthy conversation on these topics.

#### *Evaluation and Recognition*

During the management meeting, we learned that no entity conducts performance evaluations on a regular basis. Only one store manager had ever conducted performance evaluations of his employees. While OWE managers said they are supposed to be administering these evaluations, they stated that they never get around to them, due to a lack of time. This is understandable in the service industry, where many managers work well over the standard 40 hours per week. Nevertheless, further discussion with the managers, as well as participants of the focus group illustrated that performance evaluations are something that should be strongly encouraged or enforced. Managers and hourly employees believe there should be a more formal way of acknowledging both positive and negative behavior. Based on the survey, respondents felt very differently about how well their supervisors recognized their good work. Fifteen percent believed they were recognized very well, while 27 percent felt managers did a poor job of recognizing their work. The open-ended responses on the survey regarding recognition demonstrated that employees are largely recognized with verbal reinforcements. However, focus group participants pointed out that they would benefit more from having a formal structure of recognition.

Additionally, managers noted that it would be beneficial to have a better way to address employee concerns, especially if said concerns are about management. The Pizza X store manager who administered the performance evaluations also had his employees evaluate his performance. While he said they didn’t tell him anything he didn’t already know, he said it was a good way to reinforce what he did well and where he needs to improve. On the survey, 67 percent of respondents said they believed that an annual evaluation of management would be useful.

#### *Communication and Cross-promotion*

One topic that was repeatedly discussed in detail during the focus groups and management meetings was the desire for better communication between and within businesses. For example, managers did not know of the aforementioned evaluation practice that one manager had attempted at his business and was fairly successful at. After learning of this, other managers expressed that this type of update would be beneficial. This is just one example of a practice that one manager was trying that the others did not know were happening. For instance, one manager wanted to make huddles mandatory once a month, and another moved the huddle time so that it was between shifts on a busy day. Sharing this information would be helpful because it would let everyone know what worked and what didn’t. Communication actively prevents redundantly attempting new initiatives at different OWE entities.

Additionally, it was stressed in both the focus groups and the management meeting that employees would like to see more cross-promotion, because they thought it would be beneficial for the company. Many members of the community are unaware that Pizza X, Lennie’s, and One World Catering are all part of OWE. If customers were informed of this, it may increase business.

## **RECOMMENDATIONS**

### **Implement a Standardized Training Program**

Our first recommendation is to implement a standardized training program. While large firms and franchises often have formalized training programs, it is difficult for small businesses to establish a structured system for training employees. Even so, some formalized structure within a business should be established, to ensure that employees are all of the

highest quality. Additionally, standard practices strengthen employer-employee trust. Currently, OWE has no standardized training program. Based on employee responses, OWE would benefit from implementing standardized training elements for all of its entities. While training will differ based on the differing needs of each business, the following suggestions can be generalized across the company.

#### *Training Materials*

Each OWE entity should have training materials that employees can reference to learn about the company. This could include an employee training manual, that informs the new employee about OWE and each of its entities, provides details on OWE's mission and goals, and outlines expectations of the employee. This manual also provides a venue to discuss OWE policies and rules, such as dress code, no-show policies, and expected etiquette. Additionally, one focus group participant suggested allowing new employees to bring home menus, so that they could memorize the material more quickly. Furthermore, managers expressed interest in forming post-training quizzes to ensure that their employees are aware of company policies. OWE could create a short quiz or survey that tests new employees on policies that are standard across all entities. In addition, OWE could develop quizzes to test employees on specific issues, such as sanitation or customer interaction.

#### *Designated Trainers*

Many businesses in the service industry identify employees to act as designated trainers for all new employees. Usually, these trainers have been with the company for a certain period of time and are well versed in the policies and vision of the business. Using designated trainers is a way to ensure that all new employees are trained in as consistent of a manner as possible. Designating trainers is also a way to reward employees for good work or commitment to OWE. Designating an employee as a trainer could be seen as a promotion and could be accompanied by a pay raise.

#### *Ongoing Training*

OWE stresses the importance and the desire to constantly improve their business; however, in order for new initiatives to be successful, OWE must adequately communicate them to employees. Therefore, OWE would benefit from holding training sessions to refresh employees about policies and to provide updates on new initiatives. Focus group

participants expressed concern that many seasoned employees are set in their ways and are sometimes unwilling to change or adapt to new ways. Requiring full staff meetings that emphasize updated policies and new ideas may be a good way to ensure that staff does not become complacent in their roles. Furthermore, a substantial body of research links job satisfaction with an employee's opportunity to learn and grow in their position. Advocating that employees embrace new initiatives and giving them an opportunity to do so will benefit OWE. Numerous studies have shown that organizations that emphasize learning and development will see it pay off in increased employee satisfaction and company profitability<sup>165</sup>.

#### **Increase Communication and Cross-Promotion**

Our second recommendation is to increase communication. The open source model that OWE wishes to pursue revolves around the sharing of information, ideas, and "out-of-the box" support. By promoting initiatives such as used battery collection and transparent accounting practices, OWE has created an organization that incorporates social, economic, and sustainable issues into its business model. Incorporating all three of these issues into a business model is a complicated task that takes continued monitoring and company growth. To accomplish all their goals, OWE will need to utilize the resources available at the company and their own staff. The best way to accomplish this is through promoting strategic thinking, discussion, and communication.

The staff considered communication and strategic thinking as being necessary for the company, but currently missing within the organization. Both the survey and focus groups addressed the lack of communication. Many comments related to problems of increasing strategic thinking, despite not addressing the issue specifically. These included: "Provide more support to the management of Pizza X. Respond to concerns that are raised. Reinvest more of the profits into the business...create a pay-structure that encourages employees to stay with the company for more than a year," and "Lead by example, not just talk and idealism." Employees expressed concern about the company and management ignoring their suggestions and problems. This concern could lead to lowered employee satisfaction and missed opportunities for utilizing employee knowledge. Studies have found that

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<sup>165</sup> Rowden, 2002

lack of strategic thinking in managers was a major shortcoming in organizations when it came to advancement and innovation.<sup>166</sup> Not only would stronger communication and strategic thinking lead to improved employee engagement, but it would also help create a company that continues to transform into an innovative and socially conscious community name.

### *Causal Mapping*

Strategic thinking includes the search for solutions beyond regular duties as well as reflection on current assumptions, beliefs, and practices. A good definition is the “dynamic process that involves the individual and the individual within the context of the organization.”<sup>167</sup> One way to start this process is through causal mapping. Causal mapping is a “diagram of influences among entities belonging to the system” which helps to map out more than just individual businesses that are part of a bigger company.<sup>168</sup> This would be beneficial for an organization like OWE because it has the possibility to show how an action in one business might affect another. In order to remain profitable, and advance as a company, OWE must continue to be entrepreneurial and draw on the resources that are available from the staff. Causal mapping, strategic thinking, and increased communication can help achieve this.

### *Managers’ Retreat*

A recent news article about Zingerman’s explained how the company used a managers’ retreat to draft a vision statement that would eventually produce higher wages.<sup>169</sup> A managers’ retreat would allow time for reflection on pressing company matters. This would also be a great place to try a causal mapping exercise. This would also give managers a time to meet and communicate with each other, which does not currently happen. At a retreat, staff would be physically removed from their work environment and thus should feel safe to share feelings about the company and offer suggestions. One option would be to have managers perform an exercise before the retreat to start the creative process; this could include getting employee suggestions on a topic, or researching favorite companies. If time does not allow

this, the retreat should start out with an activity that addresses that day’s theme.

### *Employee Email Blast*

OWE should send out email blasts to inform all staff of new OWE initiatives and milestones. These blasts would aid in facilitating communication within the business. To do this, a designated person would compile a list of accomplishments, ideas, and business events from different managers. These blasts would keep the entire OWE family up to date, establish a connection between businesses and employees, and start the creative thinking process. These emails should be friendly and short, anything too long or detailed will lose the employee’s attention. While social media is appropriate for sharing information with the larger public; it is not effective for sharing inter-company communications with employees.

### *Cross-Promotion*

Cross-promotion expands the customer base by convincing loyal customers of one OWE business to begin patronizing another OWE business. Managers and focus group participants both wished to see the companies supporting each other more. For example, a customer may have had a great experience with Lennie’s and needs a caterer for an upcoming event, but since he is unaware of the connection between the two businesses, he does not end up employing One World Catering. However, if there were menus or advertisements for catering in Lennie’s, this could increase the customer base. Simple slogans such as “enjoy Lennie’s pizza, but don’t feel like going out? Get Pizza X delivered to your home” would be easy to add to menus, receipts, and promotional items. Pizza X could then advertise for Lennie’s beer and gourmet pizza. Cross-promotional advertising materials should also stress how all OWE business adhere to the same values and business practices. Also, managers from different businesses would have to work with each other more, creating more organizational communication and integration.

### **Conclusion**

Given the findings from our qualitative research, we identified several overarching motifs that best illustrated the vision and culture at OWE. We were pleased to find that employees across entities truly enjoy being a part of the OWE community. The majority take pleasure in coming to work and have developed relationships with their coworkers that are

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<sup>166</sup> Bonn, 2001

<sup>167</sup> Ibid.

<sup>168</sup> Pagano and Paucar-Caceres, 2008

<sup>169</sup> Bapat, 2014

long term and meaningful. However, there are still some shortcomings and areas where OWE must make improvements in order to better improve the satisfaction of their employees. While working at small businesses such as OWE is often a more personal experience, smaller organizations frequently do not have formalized structures for training, communication, and evaluation. While time and resources may be barriers, it would be greatly beneficial to OWE's success and profitability if the company were to formalize their organizational structure. Employee satisfaction, trust, and involvement will all be greatly improved if OWE considers creating more uniform and structured practices.

## METRICS FOR SUCCESS

### Introduction

The use of performance metrics has been a recognized and utilized business strategy since the early 20<sup>th</sup> century, and has been furthered studied and developed extensively during times of economic expansion.<sup>170</sup> Over 30 metrics have been established and have formed the current benchmarking program, conducted by the Saratoga Institute, using data that most firms have readily available.<sup>171</sup> Choosing key performance indicators can assist a small business in finding opportunities for growth. These indicators, within the context of the working environment of the business, are valuable tools.<sup>172</sup>

It is common practice for businesses, regardless of size, to develop their own set of performance metrics to gauge the success of employee and customer satisfaction. Metrics fall into an array of categories, each measuring different aspects of the business to provide insight into the health of their firm, and to improve the efficiency and effectiveness of the current business model. These metrics are cross-functional and involve the whole business. Businesses develop metrics to inform and improve managerial decision-making, and chosen metrics should provide the most meaningful information to managers.<sup>173</sup> A firm should not only identify the best metrics for its business model, but also establish how to best design an

intervention to improve performance metrics and meet firm goals. We have identified and recommended a few key indicators that will be beneficial for OWE moving forward.

### Turnover Rates

Small, independent businesses face different human resource challenges than a large corporation. Many owners and managers are not fully aware of how much HR can cost to their companies, with no distinction being made between recruitment, training, and additional labor costs.<sup>174</sup> With the estimated cost-per-hire for the services industry (defined as accommodation, food and drinking places in the SHRM report) at \$1,062, measuring employee retention and turnover is an important component to measuring labor costs.<sup>175</sup> Turnover rates are a cost-effective and relatively easy way for OWE to measure how many of their employees leave the company during any given time by doing this calculation:

$$\frac{\text{Number of separations during the month, quarter, or year}}{\text{Average number of employees during the month, quarter, or year}} \times 100$$

Turnover rates have been used as a proxy for both employee and customer satisfaction, because employee behavior, especially in the service sector, can play a vital role in consumer satisfaction.<sup>176</sup> High turnover rates affect management, as well, by creating a disincentive to invest in employment “commitment-building activities.”<sup>177</sup>

While little research or data has been collected on a national average for small business turnover rates, restaurant members of People Report recorded an average annual hourly turnover rate of 101 percent, and full time management turnover of 27 percent in 2005. The quick service industry, which could describe Pizza X, reported a turnover rate of 129 percent in 2005 and 136 percent in 2006.<sup>178</sup> While these are not indicative of every small restaurant, OWE is located within a college town, where turnover rates are higher than the average city. College towns generally have “comparatively diverse populations...highly educated workforces, relative

<sup>170</sup> Kavanagh and Carlson, 2009

<sup>171</sup> Ibid.

<sup>172</sup> Bissell and Harmon, 2012

<sup>173</sup> Kavanagh and Carlson, 2009

<sup>174</sup> Dupnock, 2011

<sup>175</sup> Jacobs, 2011

<sup>176</sup> Hurley and Estelami, 2007

<sup>177</sup> Schlesinger and Heskett, 1991

<sup>178</sup> Berta, 2006

absence of heavy industry...and cultural opportunities more typical of large cities.”<sup>179</sup> While college towns provide the advantage of having a large pool of potential employees, there are downsides, as well, including a transient labor pool, lack of employee experience, and indifferent attitudes toward work.<sup>180</sup>

### Methods for Measuring Customer Satisfaction

Two methods for measuring customer satisfaction are explored and elaborated in this section. One measure is the innovative Net Promoter Score (NPS), a customer loyalty metric developed by Frederick Reichheld of Bain & Company in 2003. The other is a basic customer satisfaction measure composed of various satisfaction qualities.

#### *Net Promoter Score*

When Reichheld first developed NPS, one of his main goals was to be able to identify what customers want with just one question.<sup>181</sup> He proposed to ask the customers how likely they were willing to recommend the services or products they purchased to their family, friends, and colleagues. Customers respond to this question by rating how likely they were to recommend the business on scale from 0 to 10, with 0 corresponding with the least likely to recommend and 10 the most likely to recommend. Reichheld explains, “anyone rating 0-6 is labeled ‘detractor’, 7 or 8 is ‘passively satisfied’ and 9-10 is a ‘promoter’.” Subtracting the percentage of the ‘detractors’ from the percentage of ‘promoters’ gives the NPS.<sup>182</sup> The equation can be written out in the following manner:

$$\text{NPS} = (\% \text{ of promoters} - \% \text{ of detractors})$$

An NPS over 30 is considered good, over 50 is very good, and over 70 is excellent.<sup>183</sup> According to studies performed by Bain & Company, the businesses that had the highest NPS within their industry outgrew their competitors by a factor of two. Other studies suggest that this is an excellent method to evaluating businesses and a sufficient approach for measuring customer loyalty over a short period of time.<sup>184</sup> If it is not possible to compare the results with similar

businesses, the next best option would be to compare NPS after implementing some improvements according to the answers of the customers and conducting a similar survey six months later.

The ability of the NPS to measure a firm’s performance is not universally accepted. Neil Morgan and Lopo Rego conducted a study which analyzed correlation between six firm performance indicators and six customer feedback measures. The authors’ results found little correlation between the NPS system and six performance measures they employed. The analysis instead showed that a metric measuring average customer satisfaction was the best predictor of firm performance.<sup>185</sup> The average customer satisfaction metric examined by the authors resembles the method currently used by Pizza X, indicating that OWE could employ satisfaction measures, along with a promoter score.

#### *Customer Satisfaction Metric*

Customer Satisfaction in the service sector can be hard to measure due to intangible aspects of these sectors known as facilitative services. Facilitative services are the opposite of core services that are tangible items. OWE businesses provide both core and facilitative services. Core services include products, such as pizza and breadsticks. OWE’s facilitative services include speed of order taking, friendliness, and diligence of staff. The parameters that we recommend for future surveys and evaluation cards measuring customer satisfaction should include: food quality (taste, look, smell, and other subjective qualities), service quality (accuracy, timeliness, and attention of the staff), atmosphere (coziness, comfort, cleanliness, and neatness), and all other additional and often distinctive characteristics that the products and services have.

### Manager and Employee Performance Evaluation Systems

#### *Manager Performance Evaluation System*

All managers are responsible for the quality of services and products, as well as employee satisfaction, which is a key component of a healthy work environment. Developing a performance evaluation that can be used for all management will help identify the weaknesses and strengths of current OWE

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<sup>179</sup> Gumprecht, 2003

<sup>180</sup> Alonso and O’Neill, n.d.

<sup>181</sup> Grisaffe, 2007

<sup>182</sup> Reichheld, 2001

<sup>183</sup> Ibid.

<sup>184</sup> Grisaffe, 2007

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<sup>185</sup> Morgan and Rego, 2006



management, which when acted on, can increase the effectiveness and the overall quality of work.<sup>186</sup>

Management performance evaluations can be utilized at all OWE branches, and will give managers an opportunity to learn the thoughts and opinions of employees regarding their management style and practices. Implementation of this procedure allows OWE senior management to identify problems, set management goals for each business location, and appraise the achievements of certain managers according to their evaluations. Senior and branch management should consider the results of these evaluations when developing their goals to increase the productivity and effectiveness.

Applying the manager performance evaluation systems has several advantages. The same form can be used for the self-evaluations of managers. Self-evaluation helps the managers to reflect on their own strengths and weaknesses. In addition, the manager performance evaluations help management hear the “voice of the employee.” Finally, managers will receive a third-party review of their performance. This may not be the perfect way to evaluate the managers, as they may behave differently towards different employees. However, it will still give the overall view of the business, and further investigations will solve any potential problems.<sup>187</sup>

#### *Employee Performance Evaluation System*

The performance evaluation itself is a subjective task for management, but can provide important indicators that measure employee development, performance, and satisfaction. These types of metrics that are available from an employee performance evaluation move beyond typical numerical metrics and provide employees and managers with a nuanced understanding of performance.<sup>188</sup> While the evaluation process itself can be intimidating for employees and time consuming for management, the performance evaluation process is critical in aiding OWE to reach both business and community goals, as well as for OWE to continue to be an employer of choice. One way to create buy-in for the evaluation process is to create a “shared” definition of success.”<sup>189</sup>

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<sup>186</sup> Bhat, K. S., 2010

<sup>187</sup> Ibid.

<sup>188</sup> Grote, D., 2011

<sup>189</sup> Zingerman's, 2014

There are evaluation criteria that can be utilized for the entire OWE organization that gathers information regarding general employee satisfaction and OWE organizational values and goals. It is important to develop performance evaluation criteria that ultimately fit into the larger strategic goals of OWE.<sup>190</sup> OWE is an organization that prides itself on bettering the Bloomington community and being on the leading edge of environmentally sustainable business practices. These organizational missions can be reflected in the way that OWE encourages and evaluates its employees. An example would be, “Does the employee’s effort to actively follow OWE’s green practices?”

Incorporating advice and evaluation best practices from fellow OWE managers is one way the leadership of OWE can develop an employee performance evaluation plan that is suitable for their needs and the needs of OWE as a business. A collaborative effort to share information across business locations will ensure the evaluation process gathers valuable information for the entire organization. The ability to debate potential strategies and goals allows the organization to think creatively and strategically while expanding management’s ability to identify potential strategic options.<sup>191</sup>

Some ways to achieve this include:

- Developing long and short term goals for employee performance evaluation (i.e. training goals, professional development, customer satisfaction, business growth, etc.)
- Establishing best practices for employee consequences and positive reinforcement
- Identifying the ways management can encourage and foster employee development in their respective business

#### *Conducting Employee Performance Evaluations*

A major challenge that OWE management has identified is finding the time to conduct employee performance evaluations on a consistent basis. This is a noted challenge due to the large number of part time employees that OWE hires, many of whom do not have consistent work schedules. Performance evaluations are a way to create accountability, as well as an objective way to create metrics that aid administrative decisions, such as employee

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<sup>190</sup> Cravens, Oliver, and Stewart, 2010

<sup>191</sup> Ibid.



termination or promotions. To ease the employee evaluation process for OWE:

- Supervisors could consider conducting performance evaluations by employee tenure rather than all employees at once.
- Supervisors could conduct less formal (but documented) check-ins with employees to address any issues and provide feedback (praise and recommendations for improvement) in between the formal evaluations. This provides an opportunity for the supervisor to get to know the employee and for the employee to become more comfortable with the supervisor.
- Further establish employee work place goals to encourage organizational improvement and participation through huddles.
- Create action plans with the employees for them to outline how they would like to achieve their workplace goals. See Appendix C.3-C.4 for employee performance evaluation templates.

## RECOMMENDATIONS

### Keep Records for Turnover Rates

OWE should keep records of the turnover rates for each business location to create a baseline derived from OWE's historical employee turnover. OWE turnover rates above average can be a symptom of the labor market - employees may find other job opportunities outside of the community. This could also be indicative of employee satisfaction and can identify potential issues (such as employee satisfaction, management style, etc.). OWE turnover rates below average, while also a symptom of a tight labor market, can provide insight as to what retention techniques work at OWE. These management techniques could be included in future workshop curriculum.

Turnover rates should distinguish between full and part time staff. While not the rule, full time employees have accumulated more knowledge of the business, and replacing them could cost more in future training and development. Part time employees would be more willing to leave a poor working environment, which could serve as an indicator for organizational performance.

OWE should further break down the turnover rate to distinguish between students versus non-students. While the OWE employee survey indicated that 27 percent of survey respondents were students, OWE

mangers representing all OWE companies cited that students comprised 30-60 percent of the staff. OWE could measure the turnover rate at the beginning and end of the school year or academic semester. From this data, they could establish a historical turnover rate that includes the transient student population. Another method would be to develop a student employee retention rate<sup>192</sup> by calculating the percent of students who were employed during the school year and came back after summer.

OWE can further break turnover rates down into voluntary versus involuntary categories. Unproductive employees that leave OWE could be a benefit for the company, whereas an excellent employee that decides to work elsewhere is taking valuable skills away from the company.<sup>193</sup> When possible, OWE should conduct exit interviews to gather input for future use.

### Develop a Customer Satisfaction Survey

When reviewing the method Pizza X has been using to measure customer satisfaction, we noticed that management has collected quantitative data. Lennie's, however, applies an approach that employs open-ended questions concerning what customers have enjoyed, and what Lennie's could have done to improve their experience and the NPS discussed earlier. The current customer satisfaction methods used by Pizza X and Lennie's have measures that could be improved. The strength of one establishment (quantitative data for Pizza X and qualitative for Lennie's) is the weakness of the other. The companies should combine the best aspects of both approaches into one survey constructed with our recommendations.

We would recommend using the survey questions below that include methods for obtaining both qualitative and quantitative data. The questions have been adapted from the current questionnaires used by both Pizza X and Lennie's. Instructions on how to implement and construct these questions are explained in the next section.

The following questions are well suited for measuring customer satisfaction at Lennie's and Pizza X, and can be used at both Lennie's and Pizza X unless stated otherwise. Responses to these questions can be placed into Excel spreadsheets (See Appendix C.1). Our

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<sup>192</sup> Society for Human Resource Management, 2014

<sup>193</sup> Dalton, Todor, and Krackhardt, 1982

appendix includes a spreadsheet template. The data used in the spreadsheet template does not correspond to any actual OWE data.

The following question was taken from the Lennie's comment card and would be used to calculate the NPS with the equation highlighted in the previous section:

$$\text{NPS} = (\% \text{ of promoters} - \% \text{ of detractors})$$

1. On a scale of 0-10, with 0 being "Not at all," and 10 begin "In a heartbeat," how likely are you to recommend Lennie's/Pizza X to a friend or family member?

Questions two through four would be used to calculate a customer satisfaction metric. Adding up the responses for the following questions and dividing it by the total number of questions will yield this metric. Question three, which inquires into the atmospheric quality of the business, would only be appropriate for Lennie's as Pizza X patrons do not spend much time in the establishment. The following equations would be used to calculate the customer satisfaction metric. The example shown in the excel spreadsheet uses the Lennie's formula.

$$\text{Lennie's metric} = (\text{Q2 response} + \text{Q3 response} + \text{Q4 response})/3$$

$$\text{Pizza X metric} = (\text{Q2 response} + \text{Q3 response})/2$$

2. On a scale of 0-10, how satisfied were you with the food quality of Lennie's/Pizza X?; with 0 representing "Completely dissatisfied" and 10 representing "Completely satisfied."
3. On a scale of 0-10, how satisfied were you with the service quality of Lennie's/Pizza X?; with 0 representing "Completely dissatisfied" and 10 representing "Completely satisfied."
4. On a scale of 0-10, how satisfied were you with the atmosphere of Lennie's?; with 0 representing "Completely dissatisfied" and 10 representing "Completely satisfied."

The following question was taken from Lennie's comment card. Open-ended questions give businesses feedback that closed or numerical questions cannot give, and increase business and customer interactions. The challenge with these questions is to find a way to quantify the responses. We think OWE should break

down the responses into four broad categories: food quality, service quality, atmosphere, and other. The categories are the same ones used in the customer satisfaction metric with the addition of other, which encompasses any suggestions unrelated to the other three categories. The spreadsheet has five columns corresponding to this question. The first one is intended for customer responses. The four that follow correspond to the four categories. Once a response has been recorded into the spreadsheet, the manager categorizes the response by placing a 1 in the column that corresponds to the customer's suggestion. Once OWE collects a sufficient amount of data, the total number of each type of response can be calculated using the AutoSum excel function. Trivial or humorous responses can be ignored.

5. What could we have done differently to improve your experience?

The last set of recommended questions would be used to gather data on customers as opposed to data on customer experience. Recording the date of visits will allow OWE enterprises to break down the collected data into given time periods such as weekly, monthly, or yearly. This will allow businesses to identify trends or patterns in customer satisfaction. We also believe recording the time or service would give OWE insight into whether or not there are any correlations between the customer satisfaction metrics and time. In addition to these questions OWE can continue to gather contact information from its customers and ask if they would like to be contacted in the future.

6. What was the date of your visit/service?
7. What was the time of your visit?
8. Name
9. Email
10. Would you like us to follow up with you?
11. Would you like to be added to our email list?

Our final recommendation in regards to gathering data is to mention rewards (such as the Lennie's weekly drawing) at the beginning of the survey to create an incentive for customers to respond, rather than mentioning it at the end of the survey.

### **Employ an Established Customer Loyalty/Data Collection System**

OWE may want to consider the possibility of employing an independently administered data

collection and employee satisfaction program. These programs provide businesses with efficient, easily managed methods for measuring customer satisfaction. Companies that use state of the art software and technology to gather data on customer data, as well as distribute rewards to loyal customers, run these programs. A prime example of a company offering such a program is Thanx.

Thanx gives businesses information on what items customers purchased, which location they purchased items from, and what time customers frequented those locations. Thanx also employs a Net Promoter Score discussed earlier in this report. The program works by linking customers' credit and debit cards to a smartphone app. This would allow OWE and their customers to track spending habits, and provides a platform for OWE to interact with their customers. OWE would be able to use the information they have gathered on spending habits to offer customized rewards to loyalty customers through the platform. The platform also allows customers to submit feedback to OWE about their experiences.<sup>194</sup>

Thanx has no upfront costs and no hardware and software integration. Also there is no point-of-sale integration – rewards, updates, and data are exchanged completely through customer credit/debit cards or phones. This would reduce costs associated with surveys distributed using the comment cards currently used by Pizza X and Lennie's. Switching to an entirely electronic customer loyalty format would also decrease OWE's negative environmental impact. Thanx's loyalty program would allow for cross-promotions between Pizza X and Lennie's, providing OWE with an additional marketing opportunity.<sup>195</sup>

The price Thanx charges to its customers are as follows: \$75 per month for up to 500 loyalty members; \$300 per month for up to 3,000 loyalty members; and \$1,000 per month for up to 20,000 loyalty members. Also Thanx does not charge businesses until they have surpassed a given threshold, so businesses do not need to estimate or guess how large their loyalty program will be for a given month.<sup>196</sup> Using Thanx would add some additional costs to OWE, but these costs would be offset by the time saved from conducting OWE

initiated programs and the promotional opportunities the program provides.

Patxi's Pizza is an example of a company similar to OWE that has had great success using the Thanx program. Patxi's Pizza is a chain restaurant with twelve locations in California and Colorado. In February of 2013 Patxi's employed a Thanx program, and within the first year, the company witnessed a 30 percent increase in check orders. Over 3,000 customers have signed up for the program, of which over half are considered active users (an individual who makes at least one purchase every three months).<sup>197</sup> Patxi's Pizza has had great success so far with Thanx. OWE might reap similar benefits.

Paytronix is another company that employs a similar data collection system through mobile devices but also employs loyalty cards. Paytronix provides its customers with a data insight team that assists companies in understanding the data they collect. Paytronix's pricing is dependent upon several factors such as the number of cards produced, agency fees, and member support. The price of the program is estimated to be roughly five to ten percent of the increase in customer spending created by the program.<sup>198</sup> Thanx and Paytronix are just a couple of companies that we believe might work well for OWE.

We would encourage OWE to examine these companies, as well as others, if employing an established customer loyalty program is a path they would like to take. Companies that provide such programs include: Thanx ([thanx.com](http://thanx.com)), Paytronix ([paytronix.com](http://paytronix.com)), NextBee ([nextbee.com](http://nextbee.com)), Trumpia ([trumpia.com](http://trumpia.com)), TIBCO, Loyalty Lab ([loyaltylab.com](http://loyaltylab.com)), and RepeatRewards ([repeatrewards.com](http://repeatrewards.com)).

### **Create Management Performance Evaluation**

We have provided a management performance evaluation template in the appendix to be carried out once a quarter. The results of these anonymous surveys can help to better understand the employees and improve management going forward. Due to the limited application of the current evaluation system, a centralized and standardized system of conducting, analyzing, and managing performance evaluation data is necessary. Employees can complete the survey with

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<sup>194</sup> Thanx Inc., 2014

<sup>195</sup> Ibid.

<sup>196</sup> Ibid.

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<sup>197</sup> Johnson, 2013

<sup>198</sup> Paytronix Inc., 2014

minimal interference to work responsibilities by applying sampling; only a few employees from each shift need participate so as to not slow the work process. The results should be available both for the evaluated manager and to the general management of OWE. Our recommendation would be to keep the form as simple as possible and to add open-ended questions.

An alternative survey option would be to apply an easier system offered by the director from Northwest, which is a simple survey containing two questions: “What do I like about my manager?” and “What do I not like about my manager?” Although this type of evaluation might be less objective, it is also less time consuming and will help to gather information on specific cases or characteristics of a particular manager.<sup>199</sup>

Manager evaluations will encourage management to make decisions with confidence and emphasize employee support. See Appendix C.2 for a manager performance evaluation template.

### **Create an Employee Performance Evaluation**

Creating opportunities for OWE employees to develop personal goals can make the employee performance evaluation process more productive and meaningful for the individual. This could be done by:

- Employees setting periodic business and professional development goals (i.e. concentrating on a certain service delivery skill, always being on time for work, etc.);
- Allowing employees to evaluate their own performance during the evaluation process;
- Develop employee action plans to help supervisors work with employees to reach their goals.

Each OWE location will have their own variations on an employee performance evaluation form and procedure that will coincide with that location’s business products, procedures, and goals. These location-based evaluations should coincide with training curriculum and goals. For example, evaluation criteria for “service standards” based on Lennie’s 345 Manual could be, “The employee consistently follows “Good Mojo Practices” with the opportunity to rank the employee on a Likert scale of 1-5, 1 being “strongly disagree” and 5 being “strongly agree.”

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<sup>199</sup> Smith and Zimbelman, 1987

## Education & Outreach: Workshop Model

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### INTRODUCTION

This chapter examines best practices used for disseminating valuable organizational information. The following section addresses three primary methods to distribute information. The proposed workshop models are: 1) A traditional workshop model, 2) An online webinar model, and 3) An open source model. We examine these models and assess the advantages and disadvantages of each while considering practical applicability for OWE's needs. We conclude by providing recommendations to OWE management regarding the best practices and a workshop model that is both theoretically and practically relevant- a "hybrid" model, and provide a comprehensive marketing strategy for attracting attendance of clients.

### WORKSHOP MODEL FRAMEWORKS

#### Traditional Model

The traditional workshop model has long been used to disseminate information within a company, and is by definition a "brief, intensive educational program for a relatively small group of people in a given field that emphasizes participation in problem solving efforts".<sup>200</sup> Familiarly, workshops are meetings or conferences that are usually held in a large meeting hall or conference center and require in-person attendance over the course of a few hours to a few days. Generally, groups are comprised of like-minded participants who come to learn a new skill or gather information on a specific topic.

There are two hallmarks of traditional workshops that make them effective instructional tools. First, they are not just a method of teaching, but rather an information exchange that provides the opportunity to practice skills and receive feedback in real-time. Second, they promote the principles of experiential learning that are most effective for adult "students".<sup>201</sup> Adult learning is different from that of young children or first-time students. Adults often relearn a skill or technique rather than learning a novel idea. Therefore, to incentivize this new learning, it is important to provide feedback and engage in an exchange of information and ideas, as opposed to testing or evaluating the knowledge of an individual.<sup>202</sup>

An organization cannot expect one or two workshop sessions to provide enough time or opportunities for

participants to develop full action plans or elaborate group projects. However, workshops are successful because they "inspire, energize, and open doors to begin collaboration" and allow audiences to develop realistic goals and expectations, gather information, and take what they have learned to the next step.<sup>203</sup>

#### Advantages

Workshops offer an advantage over web-based training models because they are participatory. The traditional workshop model provides the chance for participants to actively participate in skill development and also influences the direction and topics of information flow. Traditional workshops are a great way to offer hands-on training and practice to participants in a situation that allows room for mistakes and provides real-time feedback and guidance. For these reasons, traditional workshops are often preferred for on-going staff training or professional development to introduce new ideas and to hone professional skills. The participatory nature of this model can help create a sense of community between participants.

#### Disadvantages

For externally focused workshops, travel costs and the time commitment required of participants can become burdensome and might outweigh the benefit of attending. Workshops also may not be feasible for an individual or small business due to financial constraints. The limited, self-contained time frame of the traditional model means that participation does not depend on large amounts of outside work or reading, and does not require an extended period of

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<sup>200</sup> Steinert and Ouellet, 2014

<sup>201</sup> Ibid.

<sup>202</sup> Steinert and Davis, 2010

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<sup>203</sup> IMLS Community Workshop Toolkit, 2011

commitment. These attributes may be advantageous for some participants but can also be a disadvantage.

In alternative models, for example a teleconference or webinar, it is still possible to include a large number of participants spread across a large area without the constriction of time or resources needed for travel. Moreover, in cases where it is necessary for files or documents to be manipulated or viewed by a number of individuals, an open-source model via teleconference or a webinar, makes this easier even for participants in the same area.<sup>204</sup>

### Application & Best Practices

The traditional workshop model can be effective in teaching both internal and external parties useful information or skills. The traditional workshop model can be a beneficial tool for the future success of OWE. This section provides more clarification and detail to provide OWE with a holistic understanding of workshop structure and practices.

### Workshop Facilitators

First, the workshop is not limited to only one facilitator. If OWE believes that multiple presenters can improve the workshop's effectiveness, we encourage OWE to utilize various facilitators. Each facilitator can lead a different section of the workshop. The addition of multiple facilitators can add variety to the workshop structure, break up monotony, and spread responsibility evenly among OWE staff.

People who are knowledgeable about the subject matter should conduct the workshop. In the internal phase of OWE's workshop model, employees may already be knowledgeable of certain information. It is important to know the audience of the workshop by assessing their current knowledge, skill level, and expertise. Doing so will ensure that workshop model information is new and relevant for OWE participants.

However, it is possible for successful workshops to be conducted by facilitators who only know slightly more than the participants. In this case, presenters are less likely to use confusing technical terms or rush through important concepts.<sup>205</sup> The use of highly knowledgeable or less knowledgeable facilitators

depends on OWE's preferences and the nature of the presentation content.

The nature and attitude of the chosen facilitators must be able to carry the tone of the workshop, captivate the audience, and maintain attention. Facilitators should be selected based on both subject matter knowledge and enthusiasm. Workshop facilitators should be well-spoken, courteous, and charismatic enough to hold an audience's attention for the duration of the workshop. However, the ability to maintain participant attention is not solely based on the abilities of the speaker(s).

### Breaks

The duration of a workshop can affect the number of breaks necessary throughout the presentation. The longer the workshop, the more important scheduled breaks become in the structure of the workshop. These breaks serve as a short respite before continuing with activities. "Two or three consecutive hours of talking can send many people out the door screaming for fresh air."<sup>206</sup>

Breaks are a necessity if participants are to perform at optimal levels of learning and engagement. For instance, "The decay in cognitive efficiency as we push past our reserves — well-documented in research labs — shows up in an executive's day as a mounting level of mistakes, forgetting, and momentary blank-outs."<sup>207</sup> The use of breaks are an important factor in the effective transfer of knowledge and are a necessity for maintaining optimal learning capabilities in events.

However, there is one potential drawback with breaks. Breaks can often creep into valuable workshop time if not properly planned ahead of time. For instance, "...breaks always take longer than planned. Add another five or ten minutes onto the time that you ask people to take."<sup>208</sup> It is always best to be prepared and to plan for stragglers after short breaks.

### Attention Spans/Learning

The ability to captivate an audience and maintain their attention is a difficult feat to achieve. Many students can attest to the fact that lectures that tend to

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<sup>204</sup> Community Tool Box, 2013, Section 6

<sup>205</sup> Community Tool Box, 2013, Section 4

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<sup>206</sup> Community Tool Box, 2013, Section 4

<sup>207</sup> Goleman, 2013

<sup>208</sup> Community Tool Box, 2013, Section 4



be heavy in stagnant participation are more often less effective in the facilitation of learning. The Community Tool Box suggests that “varying activities...breaking up the time by involving participants in a number of different kinds of activities is far more conducive to learning than asking them to sit ...”<sup>209</sup> The best way to avoid losing the audience, in addition to regular breaks, is to create a dynamic and an atmosphere that encourages participation and engagement. The importance of active participation grows as the size and the duration of the workshop increases. Active participation forces participants to engage in the concepts and skills that are presented in the workshop. Using various activities such as group discussion, skill application exercises, case studies, video examples, and games are much more effective ways to ensure that participants learn the desired information or skills. The utilization of activities that keep the audience actively engaged can also reduce the chances that attention spans will be lost.

Another way to ensure that the audience’s attention is maintained is to interject humor into the workshop. The use of humor sets a friendly and welcoming tone for the workshop and allows the participants to relax and feel comfortable with the tone of the workshop. If participants feel comfortable they may be more open to express opinions and engage in group activities.

The duration of a workshop can have detrimental effects on participants if it is not planned carefully. Sometimes longer workshops are necessary when the content presented is more difficult to comprehend or is comprised of complicated steps or procedures. In the event of longer workshops, it is even more important to maintain attention spans. Studies show that most attendees begin to lose concentration after 20 to 30 minutes.<sup>210</sup> After roughly an hour, attention spans are said to decrease by as much as 50 percent.<sup>211</sup> The best way to mediate this issue is by providing regular breaks in workshop activities and by structuring a constantly changing workshop format to maintain participants’ attention. Ultimately, “attention can be renewed by changing activities, changing topic, changing methods of presentation...Even the short pause in the workshop

caused by moving from one activity to another is enough to refresh people and keep them interested.”<sup>212</sup> By periodically exchanging presenters, utilizing various mediums such as video, case studies, or group activities, the workshop facilitator can maintain the attention of the audience.

As mentioned above, the use of stagnant lectures have been proven to be largely ineffective in facilitating learning. The act of engaging the participants in the presented information is an essential component of successful learning. The most effective methods of education for adult learners involve engaging the learner in the educational process.<sup>213</sup> Engagement-based activities that require participants to communicate with fellow participants, apply skills, voice opinions, and reflect on the given information provide a better atmosphere that will facilitate the learning experience.

### Workshop Length

The length of a workshop can vary depending on the audience. Internal and external audiences require varying workshop durations to effectively absorb the wide breadth of information that is presented via the workshop. Internally focused workshops should be shorter in duration than externally driven workshops. In an internally based workshop participants likely know each other and potentially possess a basic understanding of content. The pre-established history between internal participants can greatly reduce the amount of time required for introductions and icebreaker activities. In addition, internally focused workshops can allow the facilitators to emphasize a specific topic or need that must be taught via the workshop.

When dealing with externally driven workshops a different approach is required for the effective dissemination of information to other parties. If the audience for a workshop is external, in this case small business owners and staff around the state and multi-state region, we strongly encourage a longer workshop. A two day workshop model offers some obvious benefits. Participants who have committed time and resources to travel and have spent money on workshop attendance expect to receive a greater amount of information. Moreover, for OWE, a longer

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<sup>209</sup> Community Tool Box, 2013, Section 4

<sup>210</sup> Goleman, 2013

<sup>211</sup> Ibid.

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<sup>212</sup> Goleman, 2013

<sup>213</sup> The Ontario Public Health Convention, 2014

time frame to effectively convey vast amounts of information to participants is not only preferred but necessary. External participants do not possess the institutional knowledge or familiarity with OWE practices of current staff, nor are they familiar with other external parties. In addition, a longer time frame offers allows participants to explore their interests, questions, consider how to apply learned principles, and discuss any issues that come up given their unique circumstances.<sup>214</sup> A shorter length workshop is not well-suited for an external audience because it does not provide for a sufficient feedback period that internal staff could get on the job, after the workshop. Feedback periods, along with opportunities for individual and group reflection, are two of the most beneficial, albeit often overlooked, aspects of the traditional workshop model.

Appendix D.1 of this document provides examples of workshop structures for both internal and external groups.

### Workshop Tips

Determine an effective space to conduct the workshop depending on the size of the group participating. Small groups will require smaller spaces while larger groups of 15+ may require a large conference hall, an open lobby, or a convention center room.

- Be sure to inform the participants to bring any additional materials that will be required for the workshop (notes, pens, papers, questions, comments, recorders, etc.)
- Provide refreshments such as food, coffee, bagels, etc. (In OWE's case catering services can be provided).
- Practice ahead of time and have a well-rehearsed workshop process.
- Materials should be as visually appealing as possible (use color) and should contain valuable points from the workshop.
- Any charts, graphs, or data should be clear and concise.
- Leave the participant with a souvenir after the workshop such as a OWE glass, decal, wristband, ribbon etc.
- Create a post evaluation form for the workshop to receive feedback of the process. Regular

feedback can help OWE improve the efficiency of the process and help facilitate the transition from internal to external outreach.<sup>215</sup>

A brief written skeletal structure regarding workshop practices, activities, and structure is provided in Appendix D.1 for review along with the internal and external workshop examples.

### Webinar Model

A second method for education is the webinar model. As OWE training becomes desirable to a larger audience, increased effort can be dedicated to creating an interactive webinar. OWE should create a webinar once the organization has become proficient in workshop presentations. Presenting effective workshops will increase OWE's credibility in presenting valuable company practices to interested parties outside the Bloomington/ Monroe County area. In turn, this will justify OWE's desire to charge a nominal fee to participants, helping to cover basic webinar costs. When conducting a webinar, it is important to realize that many participants may be multi-tasking,<sup>216</sup> which is why creative strategies must be used to ensure participants are engaged throughout the learning process.

### Advantages

Webinars can be advantageous in that the medium conveys information to a geographically dispersed audience. The webinar format does not require a physical presence from external parties and can prove useful when adhering to potential external businesses' busy schedules. In addition, the use of a well-developed webinar model can be useful in decreasing the costs of workshop education and travel expenses accrued by participating parties. As a result, lower travel emissions can reduce the educational program's carbon footprint.<sup>217</sup>

### Disadvantages

However, when using a webinar model various issues may arise. First, the ability to maintain the technological systems for a webinar model may require substantial amounts of time, training and monetary resources. In addition, developers must take

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<sup>214</sup> The Ontario Public Health Convention, 2014

<sup>215</sup> Community Tool Box, 2013, Section 4

<sup>216</sup> Lande, 2011

<sup>217</sup> Peters & Griffiths, 2012

into consideration the rapid pace of technological change when allocating resources to the continued maintenance of the webinar model. Secondly, technology must be compatible with mobile devices and also be user friendly for users with disabilities. Lastly, the occurrence of technological difficulties could hamper the ability to maintain continuity and access of the webinar content.

### Precautions

There are several key points to consider when developing a webinar. First, a webinar should be no longer than two hours.<sup>218</sup> An excessively long webinar can lose the attention of attending parties and result in an inefficient use of resources. Second, the webinar should not contain the same slides as the in-person seminar. As mentioned above, the potential for losing the audience's attention increases as the duration of the webinar increases. In addition, the webinar's content can serve as a vital attribute in maintaining participant attention. The webinar slide content should be as minimal as possible to maintain the audiences' attention. Webinars should contain twice as many slides as an in-person seminar to spread the bulk of information across a longer presentation. The rationale for this tactic is to prevent the build-up of text on a single slide, which could result in participant fatigue.<sup>219</sup> In contrast the actual presentation of the webinar content should be relatively the same as an in-person seminar. For example, the presenter of the webinar must grab the attention of the audience through the use of word choice, tone, and other means.<sup>220</sup>

### Roles

The process of creating and sustaining an effective webinar format requires the development of distinct roles. There are three main roles that should be filled for inexperienced groups hoping to utilize a webinar format:

- *Organizer/facilitator*: This role requires the designated person to develop topics, locate speakers, market the event, set up registration, and communicate with participants. The estimated time commitment for this person is approximately 10- 20 hours per webinar.

- *Presenter(s)*: The second role requires the designated person to develop the presentation slides, present topics, and field questions from the audience. The time commitment for this role requires roughly 4- 6 hours per hour of webinar.
- *Assistant(s)*: The third role requires the chosen person to specialize in providing technical and logistical questions and feedback. OWE should include the use of an assistant when OWE or the audience is unfamiliar with webinar tools or if the webinar is expected to gather a large audience.<sup>221</sup>

### Format

OWE can choose a webinar's format according to their preferences. The three possible format types all have their advantages and disadvantages and should be chosen based on their benefit and practicality to OWE processes.

#### One speaker

The one speaker method is useful when only one presenter speaks and answers questions posed by the participants. This method requires less presenter training; however, this format can result in the loss of audience attention and participation.

#### Moderated Panel Discussion

The moderated panel discussion utilizes multiple experts who are online at the same time. A moderator is present to facilitate the discussion. Using this method can be beneficial because it provides an opportunity for the participants to hear a variety of perspectives. However, using this method results in increased training and coordinating burdens on OWE. In addition, the scheduling process can be more difficult and it can be difficult to prevent the panelists from speaking over one another.

#### Interactive

The interactive method allows for the members to actively participate via instructor-led exercises and facilitated conversations. The benefit of utilizing an interactive model is the level of knowledge that the participants ultimately receive. Interactive learning methods can help foster and internalize learning and result in a deeper understanding of the topic covered. However, this method can only accommodate a small group, requires highly skilled and experienced

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<sup>218</sup> Peters & Griffiths, 2012

<sup>219</sup> Lande, 2011

<sup>220</sup> Ibid.

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<sup>221</sup> Peters & Griffiths, 2012

facilitators, and requires participants to have an available microphone for their computers.<sup>222</sup>

### Platform

Choosing the platform is another essential piece of developing an effective webinar model. In determining the platform, OWE should consider the number of participants the tool will accommodate. The number of participants can range from 15 to 1,000 depending on the use of a free or enterprise-level package. Some packages are free while others may charge for web conferencing and audio separately. Others may charge participants per minute or charge a flat fee per month or year. Additionally, OWE should consider if a live video feed via the speakers is desired. It is important to keep in mind that some platforms do not allow for this option. Lastly, OWE should determine whether to record the webinar for later viewing. Keep in mind that some platforms do not allow recording while others charge a one-time monthly fee to record. Other platforms may delete recorded material after a set period of time, and some platforms show slides with audio but fail to record the chats involved in the webinar process. In order to reduce costs and ensure the video is available for the desired period of time, we suggest streaming the webinar from the OWE network. However, this method may produce higher levels of strain on OWE bandwidth. The recorded content can ultimately be stored via the OWE website.<sup>223</sup>

### Webinar Content

The webinar's content is another essential piece of the final product. The content should capture the audience and convey the desired OWE best practices information. The introduction should last roughly five minutes and should include a title page, logistics that explain how the webinar works, a slide introducing the presenters and relevant credentials to create a more personalized experience. In addition, a list of participants could prove useful in building rapport if an interactive approach is chosen. An overview should be included to inform the participants of the content arrangement and the presentation's purpose. This information can be shown before each new section to give participants a sense of progression and progress.

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<sup>222</sup> Peters & Griffiths, 2012

<sup>223</sup> Ibid.

### Body

The body of the paper should contain valuable information and interactive opportunities for the participants. "Research demonstrates that content focusing on conceptual knowledge is more effective than hands-on skills."<sup>224</sup> The ability to properly convey conceptual information regarding OWE best practices is essential in the effective dissemination of OWE information to participants. Audience interaction is an important component of learning. However, in the case of a less interactive approach, slides should be inserted into the presentation to indicate that questions should be asked at a particular point in the presentation.<sup>225</sup> In addition, inserting polls, quizzes, or whiteboard exercises can be beneficial.<sup>226</sup> Also, use multiple "chat pods". For example, one can serve as a less intimidating "fun" pod where participants are asked questions like "what movie was referenced in the previous graphic?" This helps keep participants engaged and helps to create a sense of community and fun.<sup>227</sup>

### Concluding a Webinar

When concluding the webinar presentation, a summary of the topics that were covered serves as a comprehensive recap of the essential pieces of information. OWE may consider developing an "action plan" slide to help organize content and highlight ways in which participants can go back to their organizations and effectively institute change in a feasible manner. In addition, the inclusion of a "what next" slide can provide useful information to participants regarding the recording of the webinar, follow-up surveys, and any additional valuable information OWE would want the participants to remember in moving forward. The presentation should end with a definitive goodbye and should not end with "any more questions?"<sup>228</sup> Lastly, always address the audience in the singular "you" so participants feel you are talking directly to them. Use first names as much as possible.<sup>229</sup> Utilizing this tactic can result in a more personal experience and

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<sup>224</sup> Lande, 2011

<sup>225</sup> Peters & Griffiths, 2012

<sup>226</sup> Lande, 2011

<sup>227</sup> Molay, 2009

<sup>228</sup> Peters & Griffiths, 2012

<sup>229</sup> Molay, 2009

increase the likelihood that participants will internalize the learned information.

### Slide Design

Adhering to the following recommendations can improve the appeal and effectiveness of the presentation. First, avoid using pictures that encompass an entire slide, because doing so can result in a five to ten second delay with current broadband speeds, which can break the flow of the presentation. Second, the slides should not be too simplistic. Also, the slides should not utilize more than one plain-color background or contain excessive animations. Including these can break the flow of the presentation and be a distraction to the participants. Avoid the use of Prezi; while impressive for in-person presentations, it does not translate well into the webinar format. Lastly, avoid the use of transitions between slides as they may slow down the flow of the webinar.<sup>230</sup>

Make sure that major points are spread out one per slide with subsequent bullets explaining the various attributes of the current topic. The bullets should be arranged in a visually appealing way and the use of smart art can help develop visual appeal. The addition of small graphics can add meaning to relevant content and one animation is acceptable when utilized as a “build” or “reveal” sequence.<sup>231</sup>

### Open Source Model

The open source model is a third way to distribute educational information. The open source philosophy fits well with OWE’s corporate culture, as it “embrace[s] and celebrate[s] open exchange, collaborative participation, rapid prototyping, transparency, meritocracy, and community development.”<sup>232</sup> These principles reflect OWE’s focus on the collaboration and shared knowledge that make the employees feel a strong sense of importance and agency. The open source model concept is part of a larger trend called the Sharing Economy, a “socio-economic system built around the sharing of human and physical assets... that includes the shared creation, production, distribution, trade and

consumption of goods and services by different people and organizations.”<sup>233</sup>

### Advantages

An open-source model can provide a large amount of value for its various end users. It is a mutually beneficial medium through which users can share ideas and mitigate costs.

### Disadvantages

Though the possibility for added value is high, rewards are not guaranteed. Each user in the system must be cautious of those who take advantage of the resources that are readily available, but who do not contribute in return.

### Examples

Open Source Ecology is one recent example that develops open source blueprints for tools, machines, and houses, with the goal of creating a more environmentally and economically sound world. The Open Source Ecology Values Statement clarifies the purpose and use of the model:

“Our core values revolve around open collaboration – which implies the vulnerability to share work in progress, without ego, power struggle, and insecurity... The end point of our practical development is Distributive Enterprise – an open, collaborative enterprise that publishes all of its strategic, business, organizational, enterprise information – so that others could learn and thereby truly accelerate innovation by annihilating all forms of competitive waste.”<sup>234</sup>

OWE’s established philosophies mesh well with Open Source Ecology’s values, and we believe the workshop model should reflect at least some of these collaborative ideas.

### Application

The key aspect of Open Source Ecology’s business is that all participants build and benefit. We suggest that OWE incorporate this concept into the workshop. OWE staff should all have a stake in the process and have a chance to administer valuable input into the company. OWE can learn from Open Source Ecology

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<sup>230</sup> Perera, 2012

<sup>231</sup> Perera, 2012

<sup>232</sup> Open Source, 2014

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<sup>233</sup> Sundararajan, 2013

<sup>234</sup> Open Source Ecology, 2014



because they also promote a transparent and inclusive business model. In addition, applying open source principles to the workshop model can harness the intellectual power of all participants in the hybrid workshop. Open source philosophies, when applied to the hybrid workshop model, can foster a stronger local network of like-minded businesses. Similar to the open book management philosophies, using open source principles can inspire more investment because participants make important contributions as active participants and are not simply workshop attendees. Lastly, a web component will allow for easier integration of open source philosophies. Individual web space (such as the traditional open source wiki log) will allow staff members and workshop participants to track their ideas and methods on a daily basis. All participants would have access, be able to make suggestions and improvements, and get inspired by new ideas.

### Importance of Survey Evaluations

The utilization of pre- and post- survey questionnaires will provide OWE staff with essential information regarding the success or failure of the workshop. The feedback can be used for future improvement on an internal level. Once the workshop becomes fully functional it can then expand to external parties via various outreach methods. Facilitators can utilize the same pre- and post-workshop format to gauge its success in reaching external parties. The next section of this document will discuss the process of survey information collection, the benefits of the process, present examples of possible survey material, and determine how satisfaction of participants can be reached.

Educational programs have three basic components: curriculum, instruction, and assessments.<sup>235</sup> OWE will determine the workshop's curriculum based on this report's findings and recommendations. The instructional component is described in the workshop model sections. The assessment component is addressed in the following section.

Assessments can identify strengths and weaknesses in the workshop's content and implementation, as well as determine whether participants successfully employ skills learned at the workshop. Assessments

can also improve service provision by refining the workshop's content to meet clients' needs, identifying areas for improvement, and determining whether the workshop met its goals. In addition to providing feedback about the workshop's quality, assessments can be a useful marketing tool and a potential source of revenue.

## RECOMMENDATIONS

We recommend the following evaluations: a pre-test/post-test evaluation on workshop participants' knowledge of sustainable business practices, a post workshop survey to assess whether the workshop was successfully implemented, and a long-term follow up assessment to determine whether workshop participants actually implemented and benefited from the workshop instruction.

### Pre- and Post-Test on Knowledge

Pre- and post-test evaluations assess what participants learned during the workshop. The pre-test establishes a baseline against which post-test scores can be compared. If participants' test scores improve after the workshop, it is reasonable to conclude that the workshop contributed to the improvement.

### Content

The pre-test/post-test questions should be based on the content presented at the workshops. Because this evaluative tool is intended to assess whether a given topic is learned, questions should be objective.

### Methodological Considerations

Pre-test/post-test evaluation designs are vulnerable to repeated testing bias. To minimize potential repeated testing bias, questions should be reordered in the post-test.

Pre-tests can be administered in two ways. Administering the survey before the participants arrive at the workshop will give OWE time to analyze the results and refine the workshop's content. Administering the survey when participants arrive at the workshop minimizes the likelihood that post-test results will be biased. This approach prevents test takers from doing research based on the pre-test questions. Although the second option may produce more consistent results, it may prove to be stressful for participants.

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<sup>235</sup> Shepard, 2000



### *Data Analysis*

Comparing raw pre-test/post-test score averages may yield unreliable results, because the scores do not account for test takers' innate abilities.<sup>236</sup> To address this issue, OWE can use more advanced statistical techniques described by Dimitrov and Rumrill. OWE should keep in mind that test score changes from the pre-test to the post-test are correlational.

### **Workshop Quality Survey**

The workshop quality survey serves three important purposes. First, it can be used to determine if the workshop was successfully implemented. Second, it identifies strengths and weakness. Third, it can identify areas for improvement.

#### *Content*

The survey should contain questions on the following topics: the workshop leader's performance, the workshop content's quality, areas in which the workshop could be improved, whether the participant would recommend the workshop to a colleague and the reasons why, and the industry in which the participant works.

#### *Methodological Considerations*

Responses should use this Likert scale: strongly disagree; disagree; neither agree nor disagree; agree; strongly agree.

#### *Implementation*

The survey should be administered in the same medium as the pre-test/post-test. To minimize participant burden and to increase the response rate, the survey should be administered at the same time as the post-test.

### *Data Analysis*

OWE should use basic descriptive statistics to analyze the data.

### **Follow-up Performance Evaluations**

Follow-up performance evaluations serve three purposes. First, they determine whether the best practices participants learn at the workshops are put into action. Second, they can be used as a marketing tool. If OWE can demonstrate that participants' businesses improve their environmental impact or

financial bottom line, they will have evidence that the workshop is worth the cost of attending. Third, the follow-up evaluation could eventually become an additional source of revenue. OWE could sell performance evaluation packages that incorporate indicators by the accounting and sustainability groups as a supplement to the workshop. Alternatively, the long-term evaluations could be part of the workshop package.

#### *Content*

This evaluation should be based on the open-book management indicators or the sustainability indicators created by this Capstone. The evaluation tool would need to be flexible enough to be applicable to different types of organizations.

#### *Methodological Considerations*

Although the workshop may cause businesses to improve, the evaluation design is not sufficiently rigorous to claim that the workshop did indeed cause the improvement. To avoid claims of false advertising, OWE should be cautious about the program's causal effects. Because follow-up evaluations are conducted up to one year after the workshop, there could be high participant attrition. Indicators will need to be tailored to meet the needs of individual firms. Finally, individuals tend to over report socially desirable behaviors. To minimize this form of bias, questions should be posed as neutrally as possible. It is likely that responses will be positively biased.

#### *Implementation*

OWE should administer follow-up evaluations one month, six months, and one year after the workshop. By staggering the follow-up evaluations, OWE can assess the workshop's short-term, medium-term, and long-term effects. To facilitate data analysis, the follow-up assessments should be administered on an online platform. OWE should submit brief reports after the one month and six months evaluations, and a comprehensive report after the one year evaluation.

### *Data Analysis*

If the follow-up evaluations are less intensive, OWE should analyze the data using descriptive statistics. However, if OWE chooses to do in-depth consulting work with complex statistical modeling, the company will need to hire someone with the requisite skills or train internal staff.

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<sup>236</sup> Dimitrov & Rumrill, 2003

## OUTREACH & MARKETING

OWE strives to be among the best “green” restaurants in Bloomington. Additionally, OWE is concerned with the status of its community and employees. With a desire to engage in the philosophy of corporate social responsibility (CSR), OWE strives to develop innovative and creative ways of operating business, managing employees, fostering corporate culture, and giving back to the community. OWE is eager to share its experiences and successful sustainable business practices with other social entrepreneurs and local restaurant owners via a workshop platform. Considering OWE’s unique features, vision, and expectations, we suggest that OWE borrow the core idea of cause-related marketing (CRM) for advertising the developed workshop model in both small and large scales.

### Introduction to Cause-Related Marketing

CRM is a communicative tool used to advocate corporate social responsibility in marketing activities. It is the process of designing and implementing marketing activities with corporate social contribution to participate in solving social problems, influence consumers’ choice, and build a long-term reputation. CRM, also known as “mission marketing”, forms an alliance between businesses and nonprofit organizations to market services and products for a mutual benefit.<sup>237</sup> Studies have shown that CRM will result in changes in consumer purchasing decisions, increased customer loyalty, and enhanced company comparative advantages.

Furthermore, literature reveals that collaborating with nonprofit organizations will foster deeper connections within the community, enhance government relationships, and improve employee recruitment, morale, and retention. Survey information also suggests that consumers are more likely to pay for or even switch to products and services with social value. Consumers’ willingness to support products that add social value or support important causes is contingent upon the fact that there is not a huge price difference between available products. According to survey and focus group results, most Americans want to influence society through their daily practices and perceive CRM as an effective way to solve social

problems.<sup>238</sup> These problems include community rebuilding, aiding disadvantaged groups, social equity issues, poverty, disaster relief, and education.

### Workshop Marketing Core Idea

Cause-related marketing is a widely and increasingly utilized method for large corporations to enhance their reputation. Meanwhile, nonprofit organizations use CRM to alleviate their funding stress. CRM usually takes the form of a formal partnership or an alliance to contribute to a shared cause and ultimately achieve a win-win situation for both parties involved. However, OWE is a local restaurant rather than a big company with a considerable fiscal capacity and a professional marketing team. We suggest that OWE refresh the core idea of CRM through a nonprofit marketing lens. The reframing of a CRM method will be a more feasible marketing solution for OWE.

According to information gleaned from the analysis regarding OWE’s business practices, employees, and philosophies, OWE succeeds in many aspects of company objectives. For instance, dedication to operating as a sustainable community based green restaurant; the desire to build employees’ confidence; the development of a vision to foster, encourage, and inspire corporate culture; and the effort to increase employee satisfaction were deemed as areas of success within the company. According to the survey results and focus groups, most staff members not only highly valued OWE’s corporate culture and maintained high levels of job satisfaction, but also were not afraid to make suggestions. Many participants expressed how unique OWE’s culture is compared to others and that they had never worked at a restaurant that deeply cares for its staff members. Various participants stressed OWE’s willingness to engage staff in daily operations, finances, decision-making, and performance evaluations. More specifically, open book management, triple bottom line accounting, and huddles are valuable components of OWE’s organizational structure that other companies could utilize. Additionally, Lennie’s has not only established a positive community reputation regarding customer service, local-oriented food and beers, and a friendly working environment, but has also fostered strong community and nonprofit connections.

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<sup>237</sup> Wymer & Gomes, 2006

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<sup>238</sup> Bronn & Vrioni, 2001

Based on OWE's existing reputation, local connections, and further perspectives, we encourage OWE to utilize different marketing plans based on the scale of the intended market (local vs. other communities, long-term vs. short-term). Below is an overall marketing plan to reach both local and broader markets. The idea of CRM should be reflected in each step of the marketing process by effectively articulating its vision, mission, and current efforts to develop creative advertising material with an emphasis on cause.

## RECOMMENDATIONS

The overall marketing plan that OWE can utilize is comprised of various components including both short and long-term strategies for outreach. Currently, OWE's focuses are improved business and environmental suitability, employee satisfaction and empowerment, and giving back to the community via social entrepreneurship activities. The following marketing plan serves as a guideline for accomplishing OWE's desired objectives. First, we provide a brief summary of the marketing plan followed by a short Strength, Weakness, Opportunity, Threat (SWOT) analysis. Second, we examine both short-term and long-term strategies.

### Market Goals

The central vision of OWE's objectives stem from the three goals listed below.

- Provide assistance and guidance for local social entrepreneurs and young entrepreneurs who want to start a community-oriented business.
- Become the hub of local business innovation and green restaurant training while also providing social networking opportunities.
- Create a more friendly and collaborative local business environment.

These include short-term goals of increasing local businesses, especially restaurants, interested in attending OWE workshops, expanding OWE's community influences, and expanding social networks via social media and personal connections.

Long-term goals of OWE is to establish a substantial amount of influence in Indiana and central/northeastern and southeastern U.S. (Indiana, Illinois, Ohio, Kentucky, Tennessee, Michigan, Iowa,

Missouri, Wisconsin, Minnesota, Mississippi, Louisiana, Georgia, South Carolina, etc.)

## SWOT Analysis

The SWOT analysis is an essential tool to examine the relative strengths, weaknesses, opportunities and threats within an organization's current environment. The following analysis serves as a short status report of OWE's current position in the local environment. OWE has established itself within the organization and as a result has developed various strengths in the current market. These strengths include:

- OWE has been doing business in Bloomington since 1982 (established history)
- OWE has an established community reputation and influence
- Consumers, local business owners, and employees speak highly of OWE
- OWE is well-known for pursuing community-oriented outcomes and sustainable business practices in Bloomington, Indiana
- OWE has established some connections with organizations like the Green Restaurant association, Green Business Alliance, and ZingTrain
- OWE actively seeks better practices and production practices
- The owners and staff are passionate about green initiatives and being local focus
- Jeff is very entrepreneurial, innovative, and supportive of staff members

OWE has various strengths and can utilize these strengths to further improve the current status of the company. However, despite these advantages some weaknesses still remain. These include:

- OWE is relatively small in size and needs more influence to host a successful workshop model
- Fiscal constraints
- Lack of professionals in marketing and workshop design delivery
- Capacity issues because it takes time to gather information, build essential connections, expand networks, and recruit capable personnel for workshop tasks

These weaknesses should become a future focus upon which OWE staff can improve. By doing so, OWE can further improve its current status within the local environment and increase its capacity for outreach.

OWE also has various opportunities and threats in the local environment. The opportunities that OWE can take advantage of in the future include:

- Local school resources – SPEA, Kelley, Informatics, School of Education, and Ivy Tech (both professors and students will be valuable)
- Increasing use and influence of social media
- Increasing attention of going green and being local, especially for restaurant chains
- The headquarters of Cook Medical is located in Bloomington, and they sponsor a social entrepreneurship program at Ivy Tech – maybe they would like to help OWE in strategic planning, marketing, provide funding, or utilize OWE catering for events

OWE can capitalize on these opportunities in the future to increase OWE's pool of resources, capacity, reputation and provide essential outreach opportunities. Lastly, we identified some threats to OWE. These threats include:

- Possible competition from other local businesses attempting to mimic or surpass OWE
- Potential criticisms of running OWE once the image of a green business and local restaurant has been further established – requires consistent updating of policies and procedures, creative ways of running business, and innovative choices of sourcing for food and beer.

According to the SWOT analysis, OWE is currently in a beneficial position for future improvement. If OWE can capitalize on its strengths and take advantage of possible opportunities while also addressing the various weaknesses and monitoring threats, OWE can accomplish its desired goals.

### Target Population(s)

- Local restaurants and green businesses
- Young entrepreneurs and social entrepreneurs
- Nonprofit organizations, such as the local green business alliance
- Other local restaurants in other communities, or nearby states

### Marketing Strategy/Mix

The marketing strategy, as stated above, is based on the underlying principles of CRM. OWE's mission and core values can be merged with the concepts of CRM to accomplish the desired levels of outreach.

First, we suggest that OWE begin with marketing in the local community due to its established reputation and influence. Then OWE can utilize successful workshop cases for broader marketing and outreach. The use of social media networks and word-of-mouth can be an essential tool to reach remote markets. In addition, it may be beneficial to utilize the website for workshop content. The website approach can temper the capacity constraints and limitations of workshop processes. The website can also provide the most potential for gaining influence.

### Short-Term Marketing Strategy

The short-term marketing component of OWE's outreach initiative should focus on community based marketing. The following ideas serve as examples of local sources to which OWE can reach out during the short-term phase of outreach.

#### *Business Alliance for Local Living Economies (BALLE)*

The first example comes from BALLE which works with local organizations to improve their capacity and opportunity for innovation. A description of BALLE's purpose states that: "BALLE equips entrepreneurs with tools and strategies for local success, and we provide the national forum for the most visionary local economy leaders and funders to connect, build their capacity and innovate."<sup>239</sup> Below are four focus areas –The "Core Four":

#### *Local First*

Local First displays effective models for coping with increasing demand for locally owned, made, and grown businesses, goods, and services. It expands ownership opportunities to more people and shifts purchasing focuses toward the local community.

#### *DIY Entrepreneurs*

The DIY Entrepreneurs program involves sharing lessons learned from experiences with entrepreneurs who seek opportunities to innovate, grow, and serve their community.

#### *Community Capital*

Community Capital (CC) features promising new models in crowd-funding, community supported enterprise, triple bottom line banking, local

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<sup>239</sup> BALLE, 2012

investment clubs, and various other ways to connect local businesses with local lenders, investors and donors. CC is less relevant in the short-run but may be utilized in the future.

#### *Better Together*

Better Together provides sustainable business practice learning opportunities and best models for linking local businesses to achieve the goal of leveraging purchasing power, policy change, sustainable impact, marketing dollars, and more. For example, OWE's motivation and mission of providing workshops align with the mission of "Local First Bloomington."

"Local First Bloomington is a non-profit organization committed to supporting and promoting locally owned independent business by educating the public, facilitating collaboration, and engaging in outreach in order to create a more economically and environmentally sustainable local community, while preserving the unique local character."<sup>240</sup> Therefore, a partnership/collaboration is likely to be fostered with effective communication.

#### *SCORE Bloomington*

A second example of local outreach options for OWE is SCORE Bloomington. SCORE is "a nonprofit association dedicated to educating entrepreneurs and helping small businesses start, grow, and succeed nationwide. SCORE is a resource partner with the U.S. Small Business Administration (SBA), and has been mentoring small business owners for more than forty years."<sup>241</sup> SCORE provides a mentor program, local workshops, and online workshop opportunities. OWE can utilize this method by mentoring new business entrepreneurs to build reputation by word-of-mouth. In addition, OWE can utilize the mentoring opportunities to further advertise workshop information or present a short video to gather influence.

#### *Indiana Small Business Development Center (ISBDC)*

ISBDC was created to have a positive and measurable impact on the formation, growth, and sustainability of small businesses in Indiana. It assists Hoosier Entrepreneurs in starting stronger, growing faster, and

working smarter.<sup>242</sup> ISBDC provides workshops and seminars.

#### *Bloomington Chamber of Commerce (BCC)*

Another option for OWE is the BCC which is a local business hub. BCC sends emails to local businesses and could provide OWE with potential space for training. In addition, OWE should continue to market via Facebook, Twitter, and any remaining social media platforms currently in use. However, the social media approach should become more professional and effective in the future.

#### *Email List Services*

Email list services are a great free tool for email marketing. The link below is a free service for designing a professional email with activity information and company logo: "madmimi.com"

For instance, these services can potentially be used to contact those who have participated in ZingTrain in past years. According to information gathered via ZingTrain meetings, people who participate in ZingTrain are very supportive of the idea of having a Bloomington-initiated workshop and training. In addition, survey information regarding ZingTrain awareness revealed that most people heard about ZingTrain from friends, colleagues, and email. Respondents stated that the website is important when referring friends to ZingTrain content because it provides curious visitors a visual representation of the workshop content. The survey respondents also commented that the caliber of speakers utilized in the workshop is key to ensuring the satisfaction of participants.

#### *Long-term Marketing Strategy*

The long-term marketing strategy should focus on website design and information posting because it is the most cost-efficient way to market workshop models and business practices. As mentioned above, an effective website can serve as a useful tool for gathering interest and presenting teasers of workshop components, information, and practices.

#### *Utilizing website for workshop marketing*

When utilizing a website for workshop marketing we suggest that OWE learn from the aforementioned

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<sup>240</sup> BALLE, 2012

<sup>241</sup> Score Bloomington, 2014

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<sup>242</sup> Indiana Small Business Development Center, 2014



organizations listed in the short-term strategies example section. OWE should consider what elements to include, how much information should be dispensed, what are desirable and relevant practices of the potential examples. In addition, OWE can utilize the website as a way to gather participant and interested parties' information via attaining login and registration information. The website could be used as a teaser tool to gather interest by providing free toolkits and open source information. However, for viewers to get more detailed information they will be required to pay or attend the workshop for the additional training and information. A blog section should be created to facilitate the discussion of participants. These participants can discuss business practices, extend friendships or partnerships outside of training. Additionally, curious viewers use this platform for the sharing of ideas and opportunities. Lastly, the website can provide sample workshop videos and handouts for reference and consideration.

#### *Gauging local interest*

Based on 2013 ZingTrain participant survey results, the largest local interest in training revolves around the topics of vision creation (53 participants) and how to track service (44 participants). This is followed by an interest in topics including bottom line training (38 participants) and marketing (38 participants).

## **RECOMMENDATIONS**

Workshops are participatory group experiences that convey a complex range of information to what can be a complex mixture of people, personalities, schedules, and learning styles. A successful workshop relies on participation – this can be more difficult to manage via online instruction and webinars, and some attendees may be uncomfortable openly participating in in-person group settings (i.e., within the traditional workshop format). Given this level of complexity, OWE should not feel obligated in limiting itself by following a strict workshop format; instead, OWE can select the most practical features from the range of workshop models and apply these selectively to the company's own unique circumstances.

Benefits of combining features into a hybrid workshop:

- Blending components from the typical workshop models (i.e., traditional, webinar, and open

source) can yield a greater level of flexibility for both workshop hosts and participants.

- Open source development and refinement of the workshop model creates opportunities for collaboration with like-minded organizations.
- A hybrid workshop model mines the strengths of standard models and reduces or eliminates weaknesses.
- Leverages the communication and data analysis potential of online tools with the content delivery and “human touch” strengths of in-person instruction.
- Flexible format allows workshop host to “plug in” various workshop components as needed in order to meet needs specific to an individual workshop, topic, or client pool.

## **Hybrid Workshop Model**

What follows is a proposed model for a hybrid workshop. In this example, elements of the traditional, webinar, and open source models are combined to capture the best features of each while minimizing weaknesses. Bear in mind, however, that this proposal is malleable. That is the entire intent of a hybrid model – OWE should feel free to experiment, craft, and adjust their workshop model to meet unique conditions.

### *Component 1: Workshop Website*

A workshop website – one that is fun, friendly, and intuitive – is a crucial first step, a piece that should be in place well before publicizing the event and soliciting participants. The website is a necessary, central hub of communication, and should host the following items (to be discussed in more detail later):

- Front-facing webpage
- User authentication/login page
- Pre-test survey
- Pre-workshop video
- Workshop forum
- Resources (schedule, literature, tools, etc.)
- Post-test survey
- Post-workshop webinar
- Exam
- Open source workshop content
- Collaboration forum for like-minded organizations
- Wiki-log



Using this structure, potential participants and general web traffic land on the front-facing webpage. Participants and collaborators who choose to register can then access content on the password-protected workshop website

After registering for a workshop, participants should be asked to complete a short pre-test survey upon signing up for a workshop. The information collected through this survey will be useful for identifying the make-up of a particular group of participants. The information will also be used in conjunction with results from the post-test survey for collecting feedback, analyzing results, and refining the workshop model.

Upon completing the pre-test survey, participants should gain access to a pre-workshop video. This brief video functions as a “teaser” and as a preliminary orientation resource. As result, the video must be high energy, aesthetically pleasing, and combine the right level of content delivery with entertainment and/or humor. Balancing content delivery with brevity and entertainment value is vitally important in keeping the audience’s attention. The video should be viewed as a means of:

- Providing host/organization introduction
- Gaining early engagement
- Building up anticipation
- Conveying an overview basic topics
- Steering participants towards thinking about these topics in advance
- Shaping expectations
- Building brand awareness
- Establishing a policy of openness and inclusion

An online forum for each workshop should be the next component of the website. Here, participants are asked to post brief introduction and picture. A chat feature can allow participants to interact with each other and with the host before, during, and after the actual workshop itself. A message board on the forum can be used to solicit and answer any questions.

The survey, the video, and the forum components of the website should give the hosts a clear picture of the client population, and should function as a preliminary orientation and integration tool, one that generates early “buy-in” for the upcoming traditional/in-person workshop.

### *Component 2: Traditional Workshop*

Hosting a traditional (i.e., in-person) workshop is an act of considerable effort, variety, and detail. This component of the overall model may vary depending on desired format, schedule, and client group. Please refer to previous sections for information on hosting a traditional workshop.

### *Component 3: Post-test survey*

A post-test survey should be opened up on the workshop webpage following the conclusion of the in-person component. Here, information concerning the workshop experience can be gathered from participants. Please refer back to the section on the Workshop Quality Survey for a full discussion regarding the details of creating and administering a post-test survey.

### *Component 4: Webinar Discussion*

The webinar component of the workshop brings the experience full circle. Participants should be asked to visit the workshop website after the in-person component has concluded, not only to complete the survey and take the exam (to be discussed in the next section), but also to share what they have learned with others. The webinar brings the group together one last time, and the host has the opportunity to (re)thank participants, ask them to share their experiences, and discuss common themes emerging from the post-test survey. During this webinar, the host should “wrap up” the workshop experience, summarizing content and results, and should ultimately link the activity back to OWE’s mission and context in the local community. Finally, the host should introduce and discuss the online exam component with webinar participants.

During the webinar, the host can also solicit written and video testimonials from former participants. These can be posted on the public-facing portion of the website and used as marketing tool for future workshops

### *Component 5: Online Exam*

The final component of the workshop experience is the completion of an online examination. The first and foremost point to remember regarding this exam is that it is not intended as a quantitative assessment of rote fact retention and regurgitation. Rather, it should consist of qualitative questions drawn from

workshop topics, questions asking participants to apply knowledge gained from the workshop to their own work/life experiences.

The goal of the exam is to find a balance between difficulty and usefulness; the exam should not be overwhelming, difficult or time consuming, but it should steer participants towards “connecting the dots”, applying their instruction to their daily professional practice.

The exam should offer a generous timeline for completion (say, two to four weeks), and participants should be issued a follow-up reminder one week before the exam closes.

Upon completion, each participant should be issued a professional certificate documenting his or her accomplishment. This certificate gives participants something to proudly display, a lasting representation of their professional development experience.

#### *Component 6: Open Source*

Once OWE has successfully conducted a workshop, the knowledge gained by the host can be shared with like-minded organizations by posting the workshop model structure, content, and participant feedback (i.e., survey results and comments) online.

The first step, however, in implementing the open source component involves identifying and contacting similar organizations (local restaurants, breweries, wineries, artisanal food producers, etc.) about the open source workshop opportunity. The test model can be shared online with these organizations. OWE may also consider creating a wiki log for peer-edited content and feedback, as discussed in the prior section on open source models.

This open source development component is an opportunity for collaboration with like-minded organizations to expand and refine the workshop model. These organizations may want to contribute as hosts, presenters, content providers, or organizers, or send staff to participate in future workshops. The desired result is to create a community of businesses and organizations, minimizing the social cost of competitive waste.

#### **Conclusion**

A hybrid workshop model allows for greater flexibility in delivering an effective, uplifting instructional experience. Hybrid model components can be adjusted as needed to accommodate the needs of a specific workshop, topic, or client pool

Hosting workshop content online allows for a greater accommodation participant’s schedules, and reduces time and travel costs, and the associated social cost of expending resources. At the same time, the participatory nature of in-person component allows for on-the-spot feedback and guidance. Overall, participants have more outlets and greater freedom to contribute.

The hybrid model is also advantageous because it contains multiple feedback loops. In addition to the in-person and webinar components, the online forum and pre-test and post-test surveys capture useful data, the analysis of which can be used to improve future workshops.

Collaboration with similar organizations is also used in refining the workshop model. The open source component expands pool of stakeholders dedicated to sustainable local business and taps into concept of a shared community of businesses and other organizations, minimizing competitive waste.

## Survey Data Overview

A survey and two focus groups covering sustainability, training, employee satisfaction, and OWE business practices contributed heavily to the final results of this project. The SPEA Capstone group developed and refined the survey instrument while OWE administered the survey to staff members. The SPEA Capstone group then compiled and analyzed the results from the two methods. While the final results of the survey and focus groups are incorporated throughout this report, the development process bears discussion. We also discuss recommendations for future use of a similar survey instrument by OWE.

### Survey Groundwork

SPEA Capstone subgroups started by creating a loose framework for an OWE staff survey with questions focusing on specific subject areas. After consultation with OWE leaders, we further refined the questions and question categories. In addition, SPEA and OWE conducted focus group sessions with a small number of OWE staff. We utilized the input from these focus groups in creating our recommendations. SPEA group members also attended OWE group huddles throughout this period and reported results that were incorporated into the survey design.

After gathering this background information, SPEA Capstone subgroups worked collaboratively to develop a draft version of the survey capable of capturing the desired data points from the OWE staff population. The Capstone group sent this draft version to OWE leaders for review and comment.

A meeting between OWE leaders and SPEA group members resulted in significant revision to the draft survey. Primary concerns expressed by OWE leaders included the length of survey (initially far too long), necessity of certain questions (which were eliminated or revised heavily if needed, or added if desired) and the wording/description of OWE/trade-specific content. This discussion with OWE leaders yielded invaluable information for refining the final survey product. OWE leadership later approved the revised survey product.

### Testing

Before rolling the survey out to OWE staff, a number of testing procedures occurred. SPEA sent this final draft version to Professor Barry Rubin, other Capstone groups, and OWE leadership for high-level review and comment. Finally, a group of OWE staff members tested this version of the survey. We incorporated suggestions from all these sources in editing and revising the survey for distribution.

### Administration and Follow-up

SPEA sent the final survey version to OWE leadership for internal dissemination among their staff members. SPEA used Qualtrics® to host the survey due to the product's strength in analysis and ease of use.

The survey was open for two weeks. OWE sent an initial notification to staff once the survey was live, and then a follow-up communication several days before the survey closed. The response rate was roughly 24 percent.

After the survey closed, SPEA members compiled results and formatted these into easily-digestible graphical representations. These results were used by the various SPEA subgroups throughout the report, and the full survey results are attached in Appendix E.

### Focus Groups

The Capstone along with OWE personal, identified survey questions that could be converted to focus group discussion themes. These included questions where simple multi-choice questions were not sufficient or where open dialogue might provide more insight than open-ended answers in a survey. Focus Groups allow for discussion among employees, which offer a different type of feedback that cannot be captured in a survey.

Two focus group sessions were held at the OWE administrative office. Both sessions were approximately 45 minutes long, and included about eight employees primarily from Lennie's. Questions were developed by all subgroups, but only administered by two individuals from the same group. Participants were asked to relax and told that all information was confidential to try and promote sincere conversation.

## RECOMMENDATIONS

Based upon discussions with OWE leadership, there appears to be a strong interest in the future use of staff surveys to assess employee satisfaction, performance, and knowledge. OWE has the opportunity to use the SPEA survey as a flexible template, one that can be adjusted for future needs. All survey questions are included in Appendix E.1, and OWE can “cherry pick” questions from this survey that yielded useful results.

In the aftermath of administering this survey, the outstanding concern involves response rate. A 24 percent response is far from ideal when trying to gather an unbiased assessment. Some suggestions for improving the response rate include additional outreach towards staff, offering incentives/rewards for completion, and providing a computer workstation on-site for employees to complete the survey at the workplace.

## Conclusion

Over the course of the semester, this Capstone class has had the opportunity to evaluate the business and sustainability practices of One World Enterprises. This Capstone project has given our class the opportunity to put together a project that will not only benefit OWE, but the Bloomington community as a whole. We have appreciated the chance to make a difference within the community, and to help OWE become a leader in its field and an exemplary company.

OWE continually strives to be a responsible role model for environmental sustainability. Our sustainability recommendations focus on the production processes for BBC, with emphasis on four major topic areas: sourcing, energy, waste, and packaging. With local grain and hops producers around Indiana, BBC could make a stronger effort to use local sourcing ingredients, such as using local flavoring ingredients into existing specialty ales. OWE should understand how much energy the BBC facility and brewing process expend. We have recommended a variety of energy indicators, potential new equipment, and additional action items to reduce and manage energy consumption. Data collection and the purchase of new equipment could help to improve energy efficiency. As OWE anticipates growth at BBC in the coming years, we recommend ways in which spent grain and waste water, the two main byproducts of the brewing process, can be reduced and reused. In addition, a mix of packaging material, as well as an increased emphasis on recycling, could lead to a more sustainable company. To better keep track of their environmental efforts, we have developed multiple indicators that BBC could utilize going forward.

With regards to accounting, OWE should continue to implement Open Book Management practices. Staffers at OWE generally have a good understanding of the financial aspect and knowledge of the business, and buy into the company's mission. We recommend action items to assist OWE in educating staff about business finances and outcomes. A variety of financial, environmental, and social indicators have been identified to assist OWE in evaluating the health of the company.

In addition to the Open Book Management, we have recommended a variety of ways OWE can improve its current business model and continue to be an employer of choice. An open-source business model would best fit the company's profile, and consists of a more inclusive and sustainable approach than franchising, which aligns with OWE's mission and long term goals. Employee engagement at all staff levels will be critical to improving individual's enthusiasm for work and success as a company. We recommend OWE develop standardized training programs and procedures to better serve and support its employees, and create ways managers at different OWE locations and communicate and collaborate to promote the company. We have also identified important, yet accessible, metrics in which OWE can measure employee and customer satisfaction to further track employee satisfaction and improve their community image with consumers.

OWE has expressed a desire to disseminate best practices that can aid other entrepreneurs to develop environmentally responsible and community-oriented businesses. In terms of education and outreach, we have determined that a hybrid workshop model would work best for OWE in order to display relevant information about the company to participants and stakeholders. Specific parts of this hybrid model would include in-person components such as a traditional workshop, along with online components such as a webinar, website, and online exam. The openness of this workshop model can accommodate for more participants, and allows for both a larger scope of material, and more feedback from those who are involved. We have developed a short-term marketing strategy which focuses on community based marketing and local resources as a jumping point for OWE's workshop model.

We believe that our recommendations will help OWE continue to be a leader within the community. With the number of craft breweries continuing to increase throughout the country, BBC can become an innovator and trendsetter with regards to local ingredient usage and recycling efforts. OWE can also be a

leader by championing a more open type of business model; one that incorporates open book management and places the focus on the wellbeing and health of its own employees. An emphasis on worker satisfaction could result in satisfied customers, further improving OWE's community image. Finally, the workshop model that we have proposed could help OWE to establish itself within the community as a leader for other businesses. There is no reason why OWE could not hold a similar role in Bloomington that Zingerman's deli holds in Ann Arbor, Michigan.

We thank OWE for the opportunity to work with them on this project, and appreciate their guidance, flexibility, and patience throughout the process. OWE can take confidence in our findings and recommendations after a semester of research, communication, and collaboration. We hope that whenever we return to Bloomington in the future, we will recognize the results from our efforts when we dine at Lennie's, drink beer from BBC, or order from Pizza X. We wish the best of luck to OWE in their future efforts with entrepreneurship, social responsibility, and sustainable business development.



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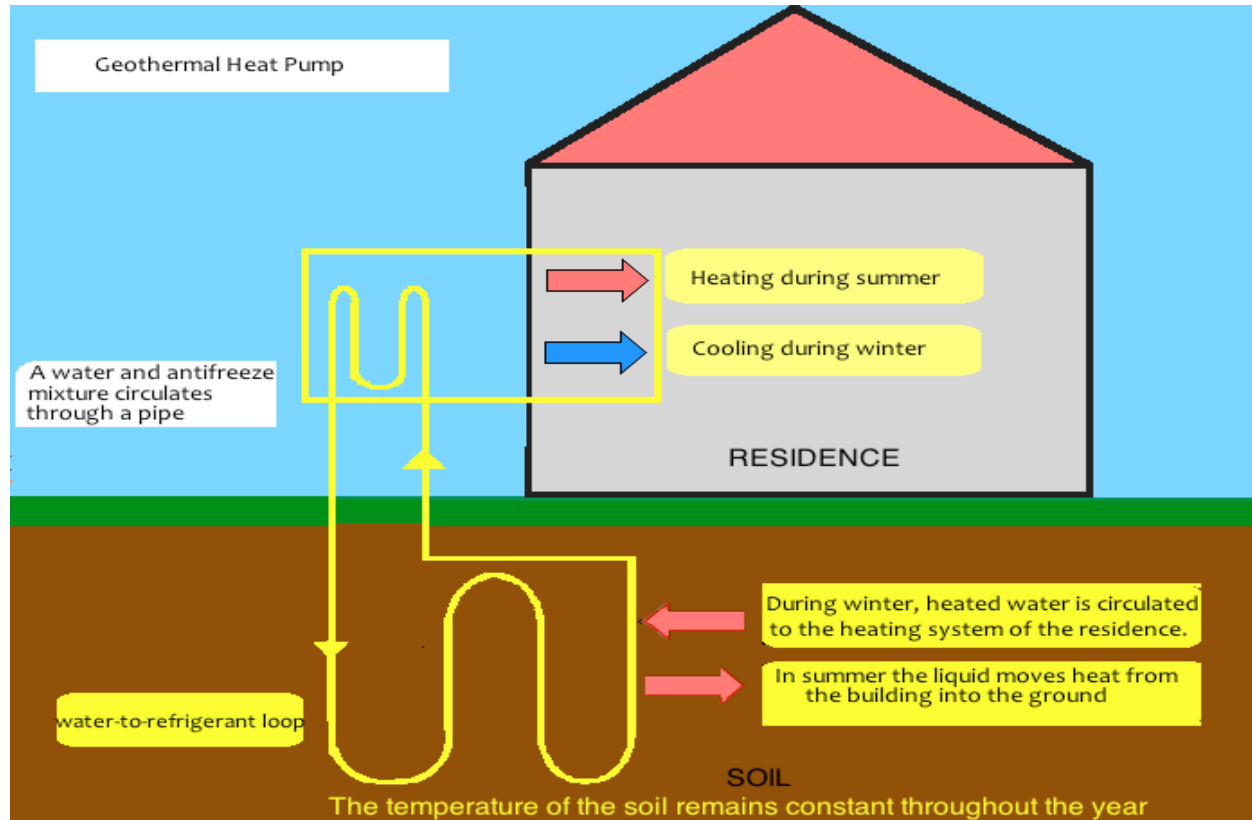
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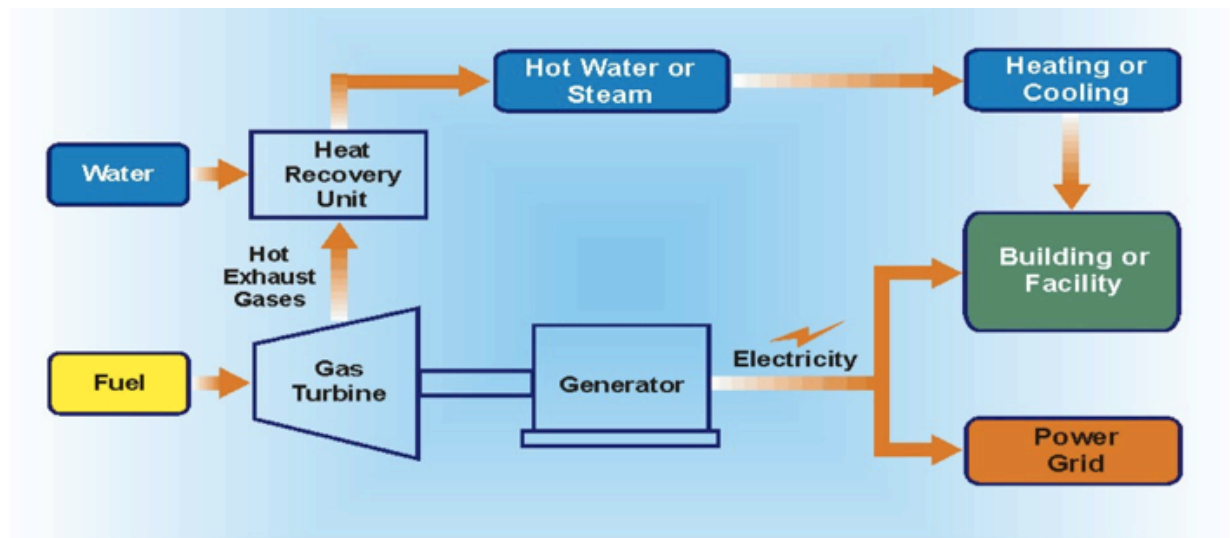
## APPENDIX A: BLOOMINGTON BREWING COMPANY ENVIRONMENTAL SUSTAINABILITY

### A.1: GEOTHERMAL HEATING AND COOLING TECHNOLOGY



Source: Energy Auditor.com, 2014 Credit: Energy Auditor

## A.2: COGENERATION SYSTEM



**Schematic of Gas Turbine Powered Cogeneration**

Source: [centraxgt.com](http://centraxgt.com)

### A.3: BOTTLE BILL MYTHS AND FACTS







Myth	Fact
<b>Deposit systems target a small proportion of litter.</b>	Beverage containers comprise 40 percent-60 percent of litter Deposit laws have been found to reduce both container litter and other types of litter. Following bottle bill implementation in various states, container litter has been reduced by 76.5 percent on average and total litter has been reduced by 49 percent.
<b>Deposit systems are inconvenient – consumers prefer curbside programs.</b>	Curbside recycling is still not available to 50 percent of the American population Curb programs don't address consumption outside of the home Tripling curbside access has not reduced waste
<b>Deposit programs are more expensive than other recycling programs.</b>	While bottle bills have a higher upfront cost, they are much more cost effective in the long term A BEAR report found that at an additional cost of only 1.5 cents per six pack, bottle bill states recover 2.5 times the number of containers than in states without container deposits Under bottle bills, recycling costs are borne by consumers and producers, not taxpayers and governments



## A.4 MEASURING ENVIRONMENTAL SUSTAINABILITY INDICATORS

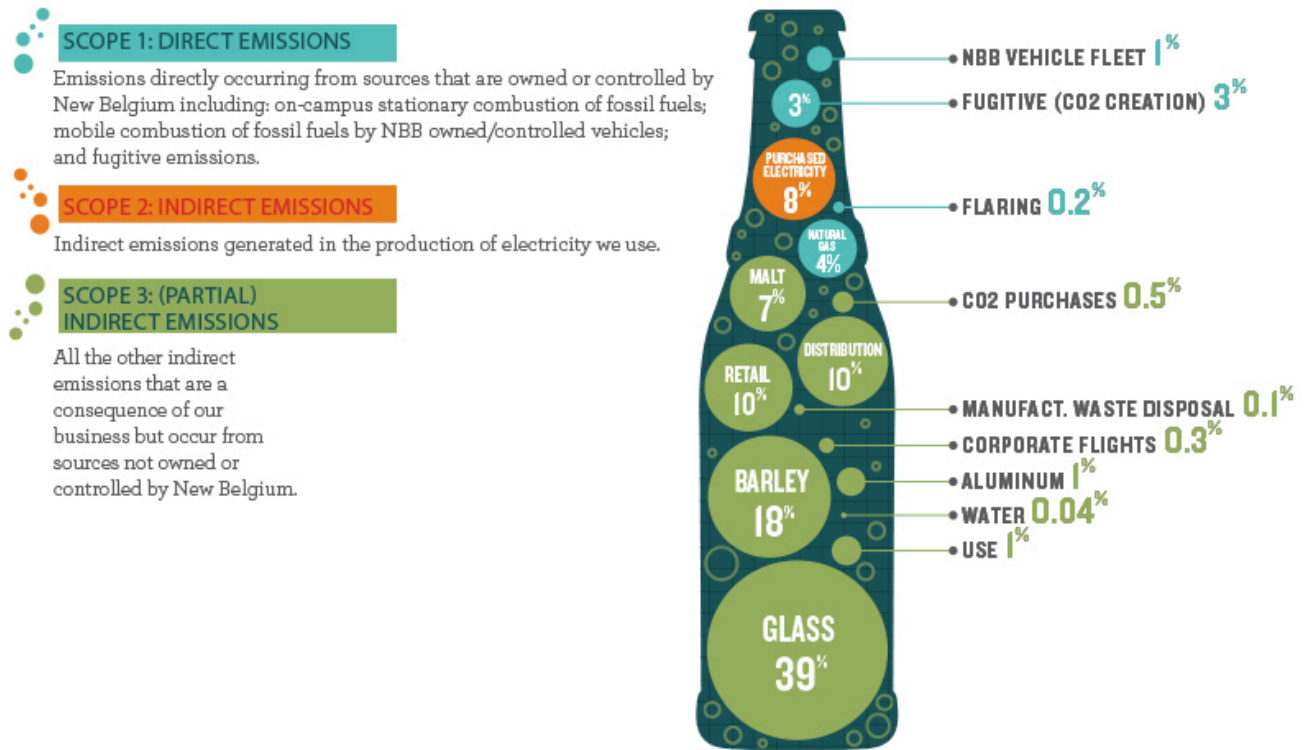
Indicator	Unit	Data Source(s)	Maximum Evaluation Frequency	Data Requirements	Calculation
<b>Energy Intensity</b>	KwH per barrel of beer	Utility bills, beer production records	Monthly, based on frequency of utility bills	Kilowatt hours per month, therms of natural gas per month, barrels of beer produced per month	$(\text{KwH of electricity} + (\text{Total Therms of Natural Gas} * 29.3)) / \text{barrels of beer produced}$
<b>Carbon Intensity</b>	Tons of CO <sub>2</sub> per barrel of beer	Utility bills, beer production records	Monthly, based on frequency of utility bills	Kilowatt hours per month, therms of natural gas per month, barrels of beer produced per month	$(\text{KwH electricity} + (\text{Total terms of gas} * 29.3) * .00068196) / \text{barrels of beer produced}$ (Calculation based on conversions suggested by the EPA)
<b>Wastewater Intensity</b>	Barrels of water per barrel of beer	Utility bills, beer production records	Monthly, based on frequency of utility bills	Barrels of water used per month, barrels of beer produced per month	$(\text{Barrels of water used} - \text{barrels of beer produced}) / \text{barrels of beer produced}$
<b>Food Miles</b>	Miles	Maps, sources, distributors	Dependent upon sourcing changes	Miles traveled from each source, percentage of ingredients by volume	$(\text{Miles traveled for product 1} * \text{percentage of barrel of beer by volume}) + (\text{miles traveled for product 2} * \text{percentage of barrel of beer by volume}) + \dots$
<b>Organic</b>	Percent organic	Sources, distributors	Dependent upon sourcing changes	Volume of total inputs, volume of organic inputs	$\text{Volume of organic inputs} / \text{volume of total inputs}$

## A.5: ENVIRONMENTAL SUSTAINABILITY INDICATORS MANAGEMENT DESIGN

 <h1>Environmental Sustainability Indicators</h1>					
<b>Example</b> <input type="text" value="GOAL"/> <input type="text" value="CURRENT"/> <input type="text" value="2 Periods Ago"/> <input type="text" value="Past Period"/>	<b>Energy Intensity</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Measures energy use per barrel of beer produced.	<b>Carbon Intensity</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Measures carbon emissions produced per barrel of beer produced.	<b>Wastewater Intensity</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Measures wastewater generated per barrel of beer produced.	<b>Food Miles Traveled</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Quantifies local sourcing by measuring average miles traveled from input source to brewery.	<b>Organic</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Quantifies sustainable growing by measuring the percent of organic inputs.
<b>Example</b> <input type="text" value="85%"/> <input type="text" value="70%"/> <input type="text" value="67%"/> <input type="text" value="68%"/>	 <b>Instructions</b> Convert therms of natural gas used into kilowatt hours; add to kilowatt hours of electricity used; divide by barrels of beer produced.	 <b>Instructions</b> Convert therms of natural gas used into kilowatt hours; add to kilowatt hours of electricity used; multiply by carbon conversion ratio; divide by barrels of beer produced.	 <b>Instructions</b> Subtract barrels of beer produced from barrels of water used; divide by barrels of beer produced.	 <b>Instructions</b> Multiply the number of miles traveled by a product from each source by the percent volume; sum this number for all products from all sources.	 <b>Instructions</b> Divide the volume of organic inputs by the volume of total inputs.

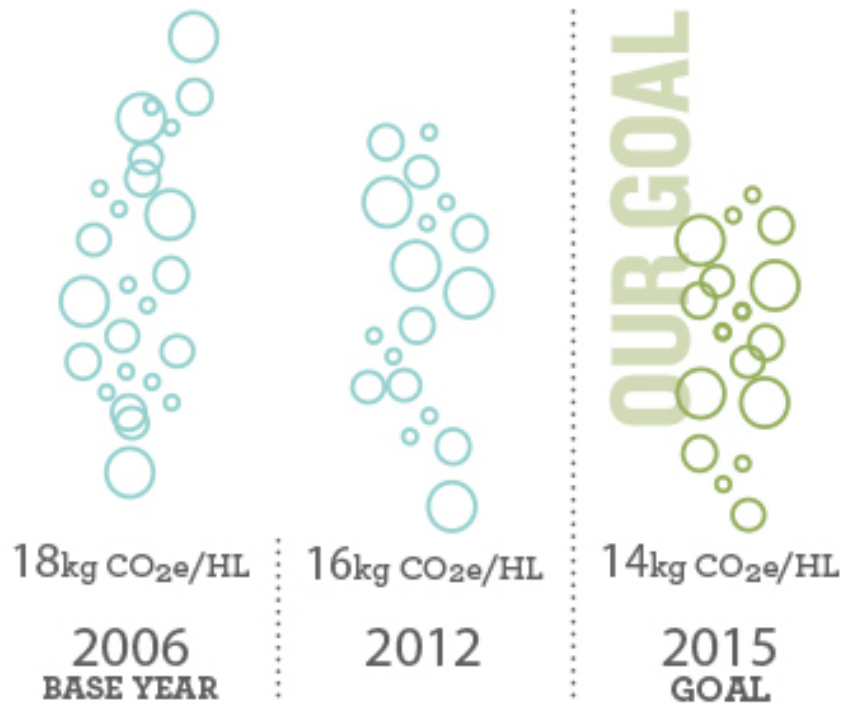
## A.6: MARKETING SUSTAINABILITY INDICATORS

### 2012 Greenhouse Gas (GHG) Emission Intensity



Source: New Belgium Brewing Company, 2012 Credit: New Belgium Brewing Company

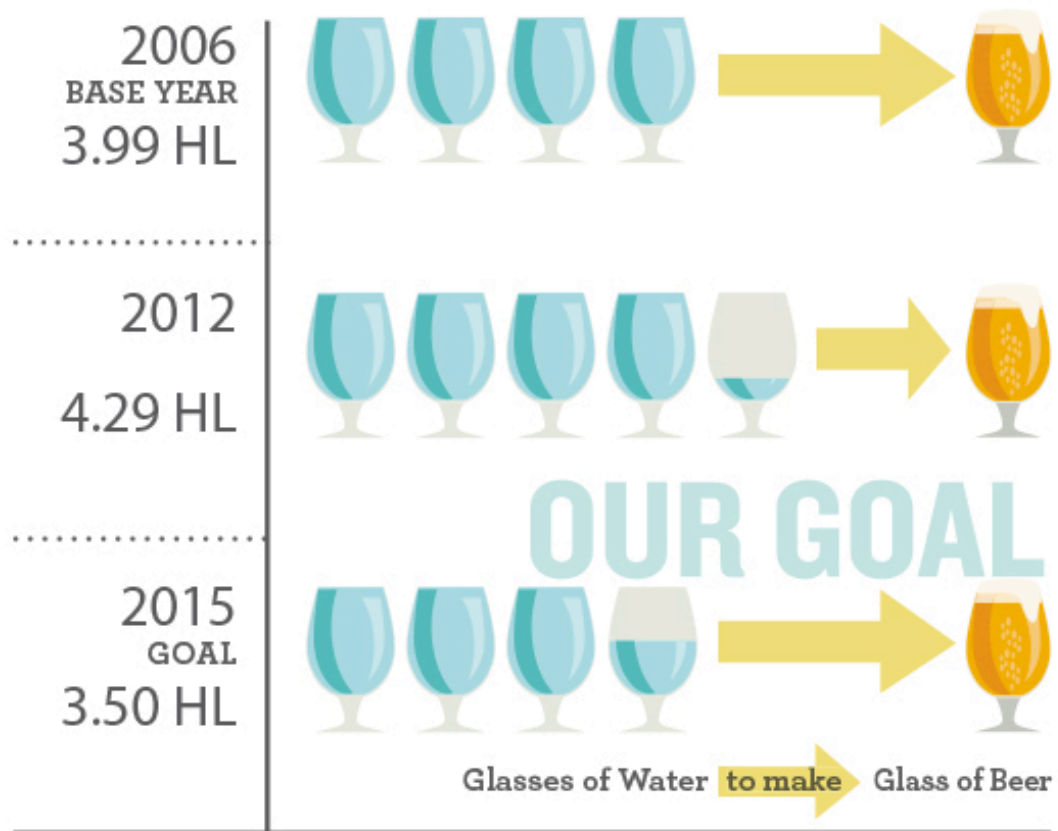
Kilograms (kg) of carbon dioxide equivalents (CO<sub>2</sub>e) emitted per hectoliter (HL) of beer packaged. Scopes 1 and 2 only.



Source: New Belgium Brewing Company, 2012 Credit: New Belgium Brewing Company

## Water Intensity

Hectoliters (HL) of water used to make 1 HL of beer

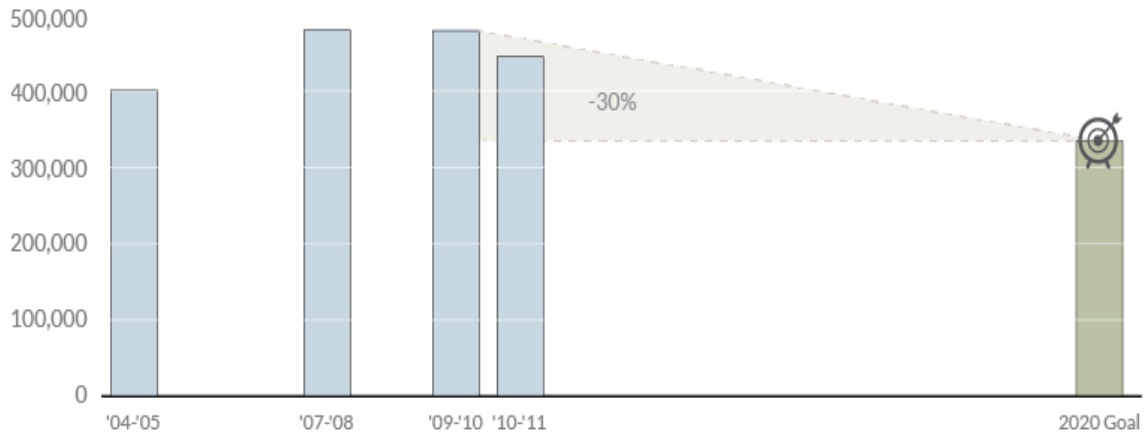


Source: New Belgium Brewing Company, 2012 Credit: New Belgium Brewing Company

## Greenhouse Gases

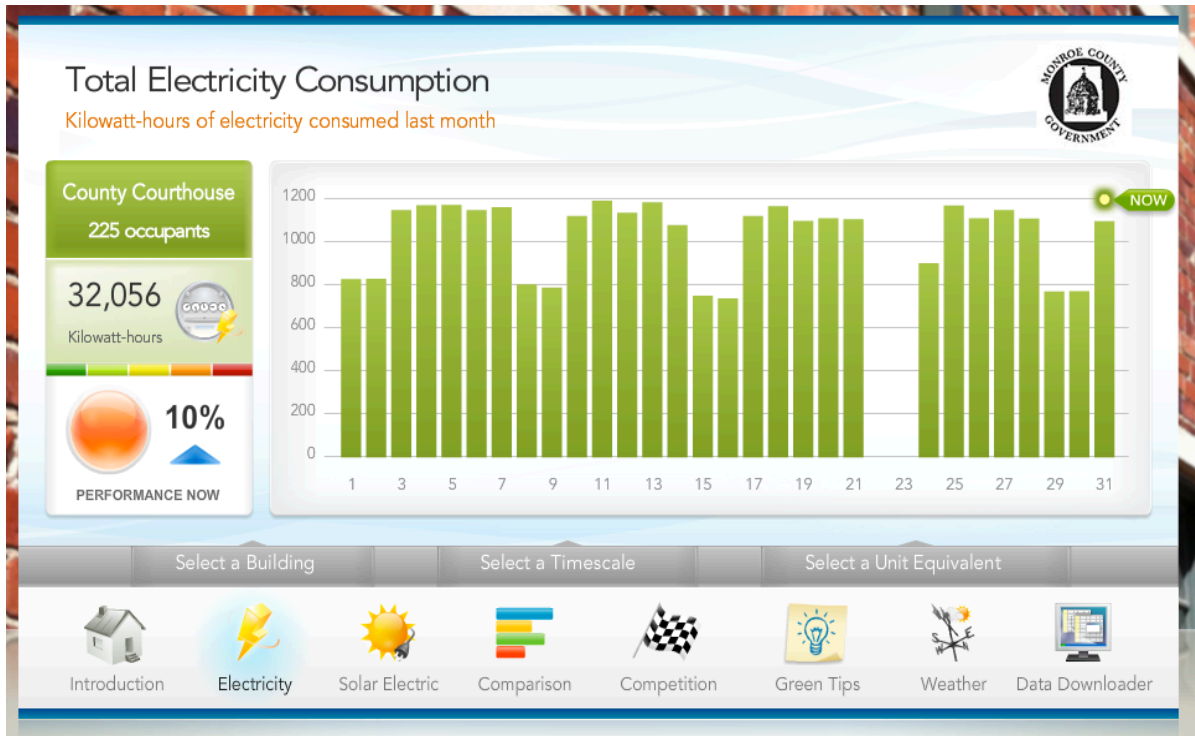
▲ [BACK TO TOP](#)

Greenhouse gas emissions by fiscal year (*metric tons of carbon dioxide equivalent*)



Source: Indiana University Office of Sustainability, 2014 Credit: Indiana University Office of Sustainability





Source: Monroe County Government, 2014 Credit: Monroe County Government

## A.7: LEARN MORE: SOURCES FOR ADDITIONAL INFORMATION AND TOOLS

Several excellent guides and handbooks offer detailed information on best practices for efficiency and conservation, decision-making tools, low- and high-cost recommendations for short- and long-term investments, and case studies of energy efficiency and conservation measures taken by both large and small breweries.

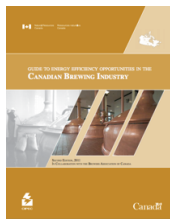
Energy Efficiency Improvement and Cost Savings Opportunities for Breweries: An ENERGY STAR Guide for Energy and Plant Managers. Lawrence Berkeley National Laboratory, Sponsored by the EPA.

This detailed booklet includes specific recommendations for energy efficiency measures and processes for each step of the brewing process and case studies of how the measures have been applied in breweries around the U.S.<sup>243</sup>



Energy Usage, GHG Reduction, Efficiency, and Load Management Manual and Tools. Brewers Association.

This website include information on best practices in brewing processes and equipment, an energy and greenhouse gas data collection tool, suggestions for employee engagement, a renewable energy cost calculator, design tips, checklist for an energy audit, and many case studies from U.S. craft breweries.<sup>244</sup>



Energy Efficiency Opportunities in the Canadian Brewing Industry. Brewers Association of Canada and Natural Resources Canada.

A “practical, one-stop source” for information on achieving energy and financial savings through data tracking, facilities management, and improved brewing process and equipment efficiency, as well as tips on managing and sustaining progress towards energy efficiency goals.<sup>245</sup>



Research on the Carbon Footprint of Beer. Beverage Industry Environmental Roundtable, June 2012

Presenting research results regarding the carbon footprint assessment of beer and the key contributors of GHG emissions across the lifecycle of beer. Includes a carbon footprint calculator and carbon quantification exercises.<sup>246</sup>

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<sup>243</sup> Galitsky et al, 2003

<sup>244</sup> Brewers Association, n.d.

<sup>245</sup> Brewers Association of Canada, 2012

<sup>246</sup> Beverage Industry Environmental Round Table, 2012

## APPENDIX B: OPEN-BOOK MANAGEMENT AND ACCOUNTING FRAMEWORKS

### B.1 FINANCIAL INDICATORS

Indicators	Sub-Indicators	Industry Benchmarks
Profitability	Gross Profit/Sales	63.3%
	Net Profit Before Tax/Sales	4.5% to 4.7%
	Net Profit After Tax/Sales	2.2% to 2.4%
Sales	Net Sales Growth (Year-on-Year)	3.6% or more
F&B Cost	Food Cost/Food Sales	32% to 40%
	Liquor Cost/Liquor Sales	20% or less
	Bottled Beer Cost/Bottled Beer Sales	28% or less
	Wine Cost/Wine Sales	40% or less
	Non-alcoholic Bev. Cost/Non-alcoholic Bev. Sales	15% or less
Labor Cost	Wages (FOH and BOH)/Sales	20% or less for Lennie's 17% or less for PizzaX
	Management Salaries/Sales	10% or less
	Employee Benefits	6% or less for Lennie's 5% or less for PizzaX
Marketing	Marketing	0.6% to 2.8%
Other Expenses	Controllable Expenses (Utilities, Marketing, etc.)	18% or less
	Non-controllable Expenses (Legal, Incidental, etc.)	12% or less
	Rent Cost	6% or less
Tax Compliance	Tax Paid to Local Government	Not Applicable
Assets	Cash/Total Assets	7.4% to 8.4%
	Account Receivable/Total Assets	0% to 0.7%
	Inventory/Total Assets	2.8% to 3%
	Total Current Assets/Total Assets	12.2% to 13.3%
	Total Fixed Assets/Total Assets	46.0% to 50.2%
	Other Non-Current Assets/Total Assets	36.5% to 41.8%
Liabilities	Accounts Payable/Total Liabilities	2.2% to 6.2%
	Current Liabilities/Total Liabilities	41.3% to 42.7%
	Long-Term Liabilities/Total Liabilities	8.8% to 17.5%
Net Worth	Assets – Liabilities	41.2% to 48.5%

## B.2: ENVIRONMENTAL INDICATORS

Indicators	Sub-Indicators	Industry Benchmarks	Significance
Waste	Pre-Consumer Food Waste	4% to 10% of Food Cost	Waste reduction can positively impact the Cost of Sales portion of P&L Statement
	Beer Waste	6% of Beer Cost	Waste reduction can positively impact the Cost of Sales portion of P&L Statement
Recycling	Post-consumer goods/Recycled material	Not Available	Reusing recycled products; or sourcing recycled products at cheaper cost can positively impact the Cost of Sales portion of P&L Statement
Utilities	Water	Utility Cost = 2.8% to 4.8% of Sales	Efficient consumption can positively impact the Utility Expense portion of P&L Statement.
	Natural Gas		
	Electricity	Industry Median = 3.6%	
	Fuel		
Hazardous Material Management	Not Applicable	Not Available	Effective management helps OWE avoid incurring Legal Expenses from authority
Local Produce/Fair Trade	Not Applicable	Not Available	The balance needs to be struck between Upsurge in Cost of using local/fair trade produce and the organization’s Commitment to Community/Social Responsibility.

Sources: Sustainable Foodservice Consulting, 2013

### B.3: SOCIAL INDICATORS

Indicators	Sub-Indicators	Benchmarks
<b>Decent Work</b>		
Labor Practices	Number and rates of new hires and employee turnover	Not Available
	Benefits provided to full-time employees that are not provided to part-time employees	Not Available
	Employee benefits as a percentage of total sales and/or gross payroll	5-6% total sales, 20-23% gross payroll
	Number of employees entitled to parental leave	Not Available
	Average weekly hours and overtime	26 hours
	Number of grievances about labor practices filed through formal grievance mechanisms	Not Available
	Percentage of new suppliers that were screened using labor practices criteria	Not Available
Occupational Health and Safety	Types of injury and injury rates	3.4 incidence rate
	Occupational disease rate	12.7 incidence rate
	Lost day rate and absentee rate	1.2 days
	Number of work-related fatalities	1.6 fatal injury rate
Training and Education	Average hours of employee training	31 hours
	Percentage of employees who receive performance reviews	Not Available
Diversity and Equal Opportunity	Composition of employees according to gender, age group, minority group membership, and other indicators of diversity	Not Available
	Ratio of salary and remuneration of women to men	Not Available
	Ratio of highest paid to lowest paid employee	Not Available
<b>Society</b>		
Local Community Impact	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Not Available
	Public disclosure of results of environmental and social impact assessments	Not Available
	Total monetary value of financial and in-kind political and charitable contributions made directly and indirectly	Not Available
<b>Product Responsibility</b>		
Customer Health and Safety	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Not Available
	Number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	Not Available
	Whether information regarding sourcing, content, environmental/social impact, safe use, and disposal of products and services is required by the organization's procedures for product and service information and labeling	Not Available

Sources: Baker Tilly Virchow Krause, LLP., 2012; Miller, 2002; Global Reporting Initiative, 2013; U.S. Bureau of Labor Statistics, 2012a, 2012b, 2012c, 2014.

## B.4: INTEGRATING TRIPLE BOTTOM LINE INTO EXTERNAL FINANCIAL REPORTING AN EXAMPLE OF THE SOUTH AFRICAN BREWERIES COMPANY

Stakeholder	Financial Value Added	South African Breweries (2002) US\$ million
<b>1) Customers</b>	Cash received by company for supply of its products Cash returns on investments	\$3691 \$50
<b>2) Suppliers</b>	Cash payments outside the company for materials and services purchased	\$1622
<b>3) Company value added</b>	= 1 - 2	\$2119
<b>4) Employees</b>	Total remuneration to employees (including wages and benefits)	\$408
<b>5) Community</b>	Corporate social and environmental investment	\$7
<b>6) Public Sector</b>	Regulatory charges and taxes paid	\$858
<b>7) Investors</b>	Interest payments on borrowings + Dividend payments	\$382
<b>8) Balance</b>	Monies retained in the business = (1-2) – (4+5+6+7)	\$464
<b>9) Total</b>	= 4 + 5 + 6 + 7 + 8	\$2119

Source: Corporate Accountability Report, 2002; Global Reporting Initiative, 2002; South African Brewers plc, 2002



## B.5: AN EXAMPLE OF RESTATING LENNIE'S P&L STATEMENT FOR EXTERNAL REPORTING IN TBL TERMS

Stakeholder	Financial Value Added	Lennie's (2013) US\$	% Change from 2012
1) Customers	Cash received by Lennie's from valued restaurant patrons	\$2,266,071	+ 1.63%
	Miscellaneous Income	\$9,710	-10%
2) Suppliers	Cash payments to food ingredient suppliers ( <i>local farmers, groceries, supermarkets, etc.</i> )	\$527,651	+ 0.73%
	Cash payments to beverage suppliers ( <i>list of local suppliers</i> )	\$200,307	+8.88%
3) Company value added	= 1 - 2	\$1,547,823	+1%
4) Investment in Human Resources	Cash paid for employees' wages	\$535,653	-5.49%
	Cash invested in employees' fringe benefits	\$246,079	4.89%
	Cash paid to reward employees' outstanding performance	\$51,388	25.35%
5) Investment in Operational Management	Energy & Utilities	\$51,702	13.05%
	General Management Expenses	\$423,653	1.67%
	Marketing	\$56,474	0.5%
6) Public Sector	Regulatory charges and taxes paid	If Applicable	If Applicable
7) Investors	Interest payments on borrowings + Dividend payments	If Applicable	If Applicable
8) Balance	<b>Net Value Added</b> <b>= (1-2) – (4+5+6+7)</b>	<b>\$182,874</b>	<b>+6.53%</b>
<b>TBL Value Added</b>	<b>= 4 + 5 + 6 +7 + 8</b>	<b>\$1,547,823</b>	

## B.6: AN EXAMPLE ACCOUNTING FRAMEWORK FOR COSTS AND BENEFITS OF OWE ACCRUING TO EXTERNAL STAKEHOLDERS

	Environmental	Social	Economic
<b>Customers</b>	Environmental costs or benefits in the use and disposal of products	Ethical, social and health costs or benefits associated with the product	Consumer surplus over and above the market price
<b>Suppliers</b>	Environmental impacts associated with the production of purchased goods and services	Ethical, social and health costs or benefits associated with the production of purchased goods and services	Stimulation of economic growth through the supply chain
<b>Employees</b>	Environmental benefits or risks associated with the workplace	Workplace social costs (such as unpaid overtime) and benefits (such as training and development)	Employment creation through the economic multiplier effect
<b>Community</b>	Emissions, effluents, and waste to land, air, and water (local, regional, national and international)	Community health impacts; wider social impacts of redundancy and plant closure; nuisance and disturbance	Urban and rural regeneration; infrastructure (e.g. transport links and congestion)
<b>Public Sector</b>	Environmental benefits from public-sector investment of corporate taxes in environmental protection	Social benefits from public-sector investment of corporate taxes in health, education and social programs	Public-sector economic multiplier effects
<b>Investors</b>	Risks to investors from poor corporate environmental reputation	Risks to investors from poor corporate social and ethical reputation	Risks to investors from poor corporate economic reputation

Source: Global Reporting Initiative, 2002

## APPENDIX C: BUSINESS MODEL

### C.1: OWE CUSTOMER SATISFACTION EXCEL SPREADSHEET EXAMPLE

Q1: NPS	Q2: Food Quality	Q3: Service Quality	Q4: Environment Quality (Lennie's Only)	Customer Satisfaction Metric: $CSM = (B+C+D)/3$
9	9	9	10	9.333333333
10	6	6	8	6.666666667
9	5	9	9	7.666666667
8	10	8	9	9
5	8	4	7	6.333333333
8	7	9	10	8.666666667
4	2	6	5	4.333333333
8	6	8	8	7.333333333
9	8	10	8	8.666666667
10	9	7	8	8

Q5: Open Ended Improvement	Q5: Category Food	Q5: Category Service	Q5: Category Environment	Q5: Category Other
	1			
		1		
		1		
			1	
		1		
				1
				1
	1			

## C.2: OWE MANAGER PERFORMANCE EVALUATION TEMPLATE

We recommend ranking the answers on a Likert scale of 1-5, 1 being “Strongly disagree” and 5 being “Strongly agree.” The recommended sections for the evaluation form are the following:

### **Business Specific Evaluation Example Questions**

*These evaluation criteria should coincide with specific jobs.*

- **Job Knowledge & Skills**
  - Does the manager consistently follow established processes and procedures (safety and health procedures, cooking procedures, etc.)?
  - Does the manager have required skills for accomplishing personal and business related goals?
- **Quality of Workplace**
  - Does the manager maintain a healthy working environment?
  - Is the manager flexible to adjust shifts?

Include comments regarding specific feedback for improvement and praise for accomplishments.

### **OWE Interpersonal Evaluation Example Questions**

*These evaluation criteria should ultimately fit into any OWE entity.*

- **Teamwork and Employee engagement**
  - Does the manager motivate his employees to come up with creative and innovative solutions to situational problems?
  - Does the manager support his team members’ initiatives?
  - Does the manager motivate employees to apply their leadership skills?
  - Does the manager give employees positive feedback and praise?
  - Does the manager treat all employees equally?

Include comments regarding specific feedback for improvement and praise for accomplishments.

## C.3 OWE EMPLOYEE PERFORMANCE EVALUATION TEMPLATE

Evaluation example questions can be answered using a scale of 1-5, with 1 being “Needs improvement,” and 5 being “Exceeds expectations.”

Supervisors should set the agenda and tone for the meeting, and make the evaluation process clear at the time the employee is hired or prior to enacting a new performance evaluation process. If possible, the supervisor should provide the employee with a copy of their completed evaluation prior to the official meeting.<sup>247</sup>

### **Business Specific Evaluation Example Questions**

*These evaluation criteria should coincide with specific training curriculum and goals.*

- **Job Knowledge & Skills**
  - Does the employee consistently follow established processes and procedures (safety and health procedures, cooking procedures, etc.)?
- **Quality of Workplace Products**
  - Does the employee consistently produce high quality products and provide high quality service?

Include comments regarding specific feedback for improvement and praise for accomplishments.

### **OWE Wide Evaluation Example Questions**

*These evaluation criteria should ultimately fit into the larger strategic goals of OWE.*

- **Productivity, Reliability, & Independence**
  - Does the employee come up with creative and innovative solutions to situational problems?
  - Is the employee consistently on time to their shift?
- **Customer Service**
  - Does the employee quickly and politely resolve customer issues?
- **Teamwork**
  - Does the employee take the initiative to help other employees during rush periods?
  - Does the employee promote a positive work environment?
- **Sustainability Practices**
  - Does the employee actively follow OWE’s green practices?

Include comments regarding specific feedback for improvement and praise for accomplishments.

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<sup>247</sup> Knight, R., 2011

**Employee Goals & Action Plan**

*To increase employee engagement with the evaluation process, management should create opportunities to develop personal goals. Developing an action plan for the employee to reach personal and professional goals is a way the supervisor can help employee development directly.*

**Employee Goals – Examples**

*An opportunity to actively address a performance area that an employee needs to improve on or would like to gain experience in.*

1. Arrive five minutes early to all shifts
2. Seek out additional training opportunities
3. Take on a leadership role
4. Improve interactions with customers

**Employee Action Plan to Achieve Goals - Examples**

*A couple of ways the employee plans to carry out and achieve their goals within a set amount of time determined by the employee and his/her supervisor.*

1. Provide the employee with a mentoring or shadowing opportunity with another employee that performs a different task within the organization.
2. Improve time management skills by using a planner to ensure that the employee is on time to all shifts.
3. Organize and take the lead on a staff volunteer opportunity.



## C.4: OWE EMPLOYEE SELF-EVALUATION TEMPLATE

Evaluation example questions can be answered using a scale of 1-5, with 1 being “Needs improvement,” and 5 being “Exceeds expectations.”

The employee self-evaluation should be completed before the formal evaluation meeting with the supervisor. The self-evaluation is a way to stimulate conversation between the employee and supervisor, and can aid in clarifying discrepancies that may arise in the perceived performance of the employee.

### Self-Evaluation Example Questions

*These evaluation questions should coincide with specific training curriculum and goals. These questions allow the employee to reflect on their job performance, and can help establish individual workplace goals and action plans.*

- **Job Knowledge, Skills, & Quality of Work**
  - What are your accomplishments in your position in the past year/since your last evaluation/since you have been hired?
  - Within your position, what skills do you feel like you do well?
  - Within your position, what skills do you feel like you could improve on?
  - Do you feel like you have had sufficient training for the responsibilities your job entails? If not, what training would you like to receive to help you perform your responsibilities?

### Additional Evaluation Example Questions

*These evaluation criteria should ultimately fit into the larger strategic goals of OWE. These questions could be additional components to the evaluation depending on the location and preferences of the manger.*

- **Productivity, Reliability, & Independence**
  - In what ways have you contributed to increasing your workplace productivity?
  - In what ways have you taken the initiative to complete a task, or go above and beyond what was expected of you?
- **Teamwork**
  - How do you contribute to creating a positive work environment?
  - Has there been an instance where you and an employee have gotten into a disagreement and how did you resolve the issue?
- **Sustainability Practices**
  - Within your position, what ways to do you actively contribute to OWE’s sustainability practices and goals?

## **APPENDIX D: EDUCATION AND OUTREACH**

### **D.1: SAMPLE WRITTEN SKELETAL STRUCTURE FOR WORKSHOP**

#### **Brief Skeletal Structure**

The following section provides a brief written structure of workshop practices, suggestions, and activities. Comprehensive visual examples that detail the structure of a short workshop and a long workshop are included in the appendices section of this document.

#### **Introduction**

- Introduce topics and establish purpose of the workshop (What OWE hopes to achieve through the workshop)
- Be sure to greet the participants and be courteous.
- Have participants fill out nametags at the entrance and sign in to the event for record keeping purposes.
- Music can be utilized here to help set the tone of the workshop and refreshments should be provided here.
- Introduce the speakers/facilitators and clearly state the agenda for the workshop. What topics will be discussed? What activities will be involved? How long will the workshop last? When will the breaks in the workshop be taken? Etc.
- Ice breakers can be used here for external parties if the participants are not familiar with each other. There may not be much use for an internal icebreaker activity if there is a considerable level of familiarity within the group.

#### **Workshop Activities and Content**

- Explain the nature of OWE sustainability practices (external parties)
- Explain the benefits and structure of open source budgeting (internal staff).
- Present the participants with a case study or group exercise that utilizes elements of sustainability and how it can apply to their business or life (internal and external).

Possibilities to consider in workshop activities

- Include hands-on activities where people can be physically active.
- An activity that matches OWE sustainable practices to perceived benefits within the community.
- Include both group and individual activities.
- Activities should be engaging and relevant to participants. Avoid long and tedious spans of stagnation and lecture.
- Include various kinds of audio-visual material where appropriate such as videos, audiotapes, overhead projectors.

- Include innovative ways of presenting material directly: a play, an interactive skit, a song, a cartoon, etc.
- Always include practice of a particular technique or method that's being presented, even if only for a short time, to give participants the chance to see how it is applied to a real world situation.

### **Conclusion**

- Provide a brief summary of the workshop events. (If the workshop is multiple days, summaries should be given at the end of each daily session.)
- The summary should cover the essentials of the information presented.
- Address the questions: Why is the information useful or important and how can the information improve the welfare of the participants and the community?
- Briefly ask the participants to fill out the developed questionnaire or feedback document regarding workshop efficiency. Ask participants to drop evaluations at the main table before exiting.
- Present the participants with souvenirs and friendly goodbyes at the door as they leave.

### **Sample Traditional Workshop Model Templates**

Based on traditional workshop models, the examples in Appendix D offer OWE management a look at two different workshop frameworks, one geared toward internal (OWE) staff training and the other toward external (client-based) training. The models are comprised of data regarding best practices research pertaining to formatting, activities and duration.

### **Workshop Model Framework: Short-Term**

Audience: Internal Staff from OWE and/or other Bloomington restaurants. Please note that each workshop would be held for each business, separately.

Total Time: 3.5 hours excluding 15 minute break (excludes sign-in/registration period)

Time	Activity	Notes
9:00 – 9:40	Introduction/Agenda Review	<ul style="list-style-type: none"> <li>Include time for participants to identify themselves, their interest in attending the workshop, and anything else they'd like to share including their goals for the day</li> <li>It is possible to include a short icebreaker, if time permits (Only if familiarity is not established between participants)</li> <li>Articulate the workshop's goals for the day</li> </ul>
9:40 – 11:00	Speaker Series	<ul style="list-style-type: none"> <li>Key Issues</li> </ul>
	Small Group Exercise	
11:00 – 11:15	BREAK	
11:15 – 12:15	Large Group Exercise	<ul style="list-style-type: none"> <li>Set up the issue/topic for discussion</li> <li>After, allow time for participants to discuss what they learned, what they will use, their views</li> </ul>
12:15 – 12:45	Wrap-up	<ul style="list-style-type: none"> <li>Closing thoughts</li> <li>Making ideas practical</li> <li>Evaluations</li> <li>Q &amp; A Session</li> </ul>

Source: American Geological Institute and Institute of Museum and Library Services Tool Kit

### Workshop Model Framework: Long-Term

Audience: External from other restaurants and/or small businesses at a regional or national level.

Workshop content is developed to accommodate a diverse audience.

Total Time: 7.5 hours excluding 2 15-minute breaks (excludes breakfast but includes 1 hour working lunch)

Time	Activity	Notes
<b>Day 1</b>		
7:30 – 8:00	Breakfast/ Sign in	
8:00 – 9:00	Introduction/Welcome/Overview	<ul style="list-style-type: none"> <li>Include time for participants to identify themselves, their interest in attending the workshop, and anything else they'd like to share including their goals for the day</li> <li>It is possible to include a short icebreaker, if time permits</li> <li>Articulate the workshops goals for the day</li> </ul>
9:00 – 10:00	Speaker Series	
10:00 – 10:15	BREAK	<ul style="list-style-type: none"> <li>Participants help themselves to provided refreshments</li> </ul>
10:15 – 11:15	Speaker Series	
11:15 – 12:00	Small Group Activity	<ul style="list-style-type: none"> <li>Active learning session</li> </ul>
12:00 – 1:00	Working Lunch	<ul style="list-style-type: none"> <li>Not a structured lunch, but by providing</li> </ul>





		<p>lunch on-site it gives attendees the opportunity to network and exchange ideas between themselves</p> <ul style="list-style-type: none"> <li>▪ This is also a good opportunity for OWE to showcase their product</li> </ul>
<b>1:00 – 2:00</b>	Speaker Series	
<b>2:00 – 2:15</b>	BREAK	<ul style="list-style-type: none"> <li>▪ Refreshments/Bathroom breaks</li> </ul>
<b>2:15 – 3:15</b>	Large Group Activity	<ul style="list-style-type: none"> <li>▪ Part one of the activity</li> </ul>
<b>3:15 – 4:00</b>	Daily Closing Remarks	
<b>4:00 – 6:00</b>	Tour (Optional)	
<b>Day 2</b>		
<b>7:30 – 8:00</b>	Breakfast/ sign in	
<b>8:00 – 8:30</b>	Daily Agenda Setting	
<b>8:30 – 9:00</b>	Speaker Series	
<b>9:00 – 9:15</b>	BREAK	
<b>9:15 – 11:00</b>	Continue & Finish Large Group Activity	<ul style="list-style-type: none"> <li>▪ Finish group activity</li> <li>▪ Allow for Intra-group discussion</li> </ul>
<b>11:00 – 12:00</b>	Debrief / Q&A	<ul style="list-style-type: none"> <li>▪ Inter-group discussion</li> <li>▪ Q &amp; A with speakers</li> <li>▪ Open forum for takeaways, making lessons practical</li> </ul>
<b>12:00 – 1:00</b>	Lunch	
<b>1:00 – 1:45</b>	Speaker Series	
<b>1:45 – 2:15</b>	BREAK	
<b>2:00 – 2:30</b>	Speaker Series	
<b>2:30 – 3:00</b>	Activity	
<b>3:00 - 4:00</b>	Adjourn	<ul style="list-style-type: none"> <li>▪ Closing remarks</li> <li>▪ Evaluations</li> <li>▪ Informal Q &amp; A session with speakers and attendees</li> </ul>

Source: ZingTraining – Working with Zing! Seminar






## APPENDIX E: SURVEY

### E.1 ONE WORLD ENTERPRISES EMPLOYEE SURVEY: RESPONSE SUMMARY DATA





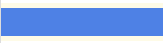
Q1: Which job category below best describes your current job at OWE?

Answer		Response	%
Salaried management		8	17%
Hourly management		12	26%
Hourly staff – no tips		10	21%
Hourly staff – with tips		17	36%
Total		47	100%



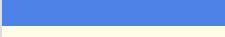


Q2: On average, how many hours per week do you work for your employer?

Answer		Response	%
0-10 hours		6	13%
11-20 hours		9	19%
21-30 hours		5	11%
31-40 hours		12	26%
More than 40 hours		15	32%
Total		47	100%

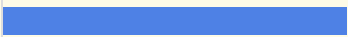


Q3: What business unit do you currently work for?

Answer		Response	%
One World office		3	6%
Bloomington Brewing Company (brewing staff only)		1	2%
Lennie's		16	34%
One World Catering		11	23%
Pizza X		16	34%
Commissary		0	0%


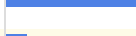




Q4: In total, how long have you worked for your business unit?

Answer		Response	%
Less than six months		3	6%
Six months to one year		7	15%
One to five years		22	47%
Six to ten years		5	11%
More than ten years		10	21%
Total		47	100%

Q5: Please indicate which of the following best describes your student status:





Answer		Response	%
Not currently a student		34	72%
Full-time student		10	21%
Part-time student		3	6%
Total		47	100%

Q6: What is your highest level of education?






Answer		Response	%
Less than high school		0	0%
High school		7	15%
Some college		13	28%
Undergraduate degree		19	41%
Graduate degree		2	4%
Associate's degree		2	4%
Other (Please specify.)		3	7%
Total		46	100%





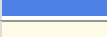
Q7: Which age category currently applies to you?

Answer		Response	%
21 years old or under		7	15%
22-30 years old		19	41%
31-40 years old		12	26%
41 years old or above		8	17%
Total		46	100%





Q8: What percentage of the time do you commute to work in a private motorized vehicle (such as a motorcycle or car)?

Answer		Response	%
0-20%		13	28%
21-40%		1	2%
41-60%		1	2%
61-80%		2	4%
81-100%		29	63%
Total		46	100%


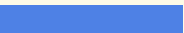

Q9: How much do you know about environmental sustainability?

Answer		Response	%
Nothing		0	0%
Not much		9	20%
Some		25	57%
A great deal		10	23%
Total		44	100%

Q10: How much do you know about sustainable business practices?

Answer		Response	%
Nothing		1	2%
Not much		10	23%
Some		26	59%
A great deal		7	16%
Total		44	100%

Q11: How important is environmental sustainability to you?

Answer		Response	%
Not important		0	0%
Somewhat important		12	27%
Important		17	39%
Very important		15	34%
Total		44	100%

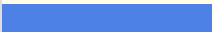


Q12: Are you aware of the following sustainable business practices within the overall OWE company?

Answer	Yes	No	Total Responses	Mean
Household battery collection at Pizza X	29	15	44	1.34
Recycling of waste material	42	2	44	1.05
Composting	41	3	44	1.07
Brewery solid waste repurposing	31	13	44	1.30
Bike to Lennie's Month	35	9	44	1.20
Energy-efficient light bulbs at Lennie's	28	16	44	1.36
Lennie's application to be certified as a green restaurant	23	21	44	1.48

Q13: To what extent do you agree or disagree with the following statements?:

Answer	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Total Responses	Mean
Your business unit's leadership actively employs sustainable business practices	1	2	6	24	11	44	4.89
Staff receive training in environmental sustainability	7	10	10	16	1	44	3.48
Your business unit is a "green" company	4	5	9	18	8	44	4.27



Q14: Do you have a voice in setting sustainability practices?

Answer		Response	%
Yes		19	44%
No		15	35%
Not sure		9	21%
Total		43	100%

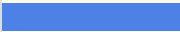

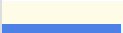

### Q15: How can OWE improve its impact on the environment?

Text Response
<ul style="list-style-type: none"> <li>• Provide vehicles that can help with greenhouse emmisions. Improve lighting at brewery to become more energy efficient. Glass and aluminum recycling at brewery.</li> </ul>
<ul style="list-style-type: none"> <li>• Air duct cleaning. Dust, debris and other particulates that collect in ventilation systems can make a business much less energy efficient.</li> </ul>
<ul style="list-style-type: none"> <li>• for lennie's, change its to go containers and straws to compostable materials. Ideally, implement solar panels with support of state/federal rebates (and/or develop long-term and short-term financial feasibility reports for large scale changes like solar panels) . Follow through with any GRA recommendations to make the restaurant a 2-3 star green restaurant</li> </ul>
<ul style="list-style-type: none"> <li>• show it's customers with some of their methods of how they are a environmentally aware company.</li> </ul>
<ul style="list-style-type: none"> <li>• Continue finding ways to use less energy!</li> </ul>
<ul style="list-style-type: none"> <li>• Lennie's composts and recycles everything which is way more progressive and green than so many other restaurants</li> </ul>
<ul style="list-style-type: none"> <li>• Some form of recycling bin for all the printed receipts at Pizza X that get thrown in the trash normally.</li> </ul>
<ul style="list-style-type: none"> <li>• less food waste</li> </ul>
<ul style="list-style-type: none"> <li>• The South store needs improvements with insulation and general maintenance to be more efficient</li> </ul>
<ul style="list-style-type: none"> <li>• The question is, how much are you willing to spend?</li> </ul>
<ul style="list-style-type: none"> <li>• Start some kind of pizza box recycling program to pick up the thousands of cardboard boxes we send out every week. Stop using a plastic cup that ends up littering the whole of campus. Switch back to cardboard drink carriers instead of plastic. Use locally sourced, responsibly raised meat instead of Tyson brand meat-factory products. Don't use high-gloss paper box tops as our sole form of advertisement. Move away from non-recyclable metal fuel cans in hotboxes. Provide hybrid or high-mileage vehicles for delivery drivers. Refit campus to be more energy efficient (lightbulbs, insulation, plumbing).</li> </ul>
<ul style="list-style-type: none"> <li>• Some sort of electric vehicle perk for pizza x drivers and or when the commissary box truck dies get some sort of electric truck instead?</li> </ul>
<ul style="list-style-type: none"> <li>• stop sourcing bullshit factory farmed meats that are cheap and gross as fuck</li> </ul>
<ul style="list-style-type: none"> <li>• Use less electricity</li> </ul>
<ul style="list-style-type: none"> <li>• Save energy by better insulating our building and walk-in coolers.</li> </ul>
<ul style="list-style-type: none"> <li>• by actually caring and actively doing something and not hiring a group of spea srudents for pr purposes.</li> </ul>
<ul style="list-style-type: none"> <li>• I'd like to see things become more holistic and cyclical in our work worlds. This includes making sure our employees are sustained as well as our businesses.</li> </ul>

Q16: When you first started working at your business unit, did you receive enough job training to be an effective staff member?

Answer		Response	%
Yes		31	78%
No		9	23%
Total		40	100%

Q17: In total, how many days of formal training did you receive when you started your current position?

Answer		Response	%
1-3 days		15	38%
4-7 days		8	20%
More than 7 days		10	25%
None		7	18%
Total		40	100%






Q18: Based on your training experiences, how weak or strong is your business unit's job training program in the areas described below?

Answer	Very Weak	Weak	Moderate	Strong	Very Strong	Total Responses	Mean
How to carry out my job responsibilities	2	3	8	15	12	40	3.80
Workplace policies	0	1	12	16	11	40	3.93
Your business unit's sustainable business practices	2	8	13	15	2	40	3.18
Your business unit's organizational structure	2	5	10	13	10	40	3.60

Q19: The skills I am learning at my job will help me:

Answer	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Total Responses	Mean
Complete my college degree	10	7	22	1	0	40	2.35
In my future career	5	3	10	17	5	40	3.35
Open a business of my own	3	5	16	12	4	40	3.23
Advance in my current business unit	3	3	15	17	2	40	3.30

Q20: What percentage of your coworkers do you feel need additional training?





Answer		Response	%
0-20%		19	48%
21-40%		9	23%
41-60%		7	18%
61-80%		1	3%
81-100%		4	10%
Total		40	100%

Q21: Please provide any additional comments or recommendations regarding your business unit's training program in the box below:






- We are pretty much without a fully regimented training program due to the responsibilities placed on those in position of being able to implement training. It's more of an apprenticeship than training.
- When I came to work here, I received the most training I've ever received for any job I've ever held.
- Its more of an incompetence of the people training/management. I don't know of any business that uses recently hired people to train the even more recent hires, except Lennies. There are many veterans of Lennies that would be far better suited to train. How is this not a common sense thing? Oh that's right, Mike Fox runs the show.
- As an employee at Lennie's I've found one difficult element of being the most effective worker I can be. I felt I learned what was needed in my thorough training period. I felt after my training period I did not continue to work in my new-position enough to engrain all the new procedures and tasks into my head. There are several reasons to why that happened like limited availability,, busy times need established employees, and of course veteran employees need their standard hours. It took me awhile to get comfortable in my new position. This one solution comes to mind, plenty of individual experience right after the training period is over. It could even seen as an extension of the training period.
- Lennie's is working on and improving their training program every time there is a new staff member and I think that's great
- Employees should be given some sort of new employee manual with important information like business policies and employee responsibility.
- Annual meeting to review job performance/duties/expectations
- We need to have updated training material, such as more recent slideshows. They are from 2008ish and lot of the slides do not apply anymore. As well as updated pictures of products and a good detailed description about what the trainee should be looking for in the photo.
- We need to have on going training. I see veteran employees forgetting policies and training after a long period of time has passed.
- Slideshows and training classes are next-to-useless. Much of the information in these classes is outdated. Training class on cutting/oven-tending doesn't involve cutting a pizza. No training on routing. Shoulder-to-shoulder training on-shift does not exist. Relationship between trainer and trainee is underemphasised. No follow-up on training. Management training even worse than regular staff.
- We do many things well. We are just in the process of standardizing certain things that people do differently.
- It has developed and improved greatly since I started working here
- Standardize training techniques
- I feel that we need regular staff meetings/training to cover much as far as etiquette, sanitation, cleaning, equipment, etc.
- We say a lot of good things but we aren't really good at following through with what we say. We could do a lot better job at supporting our staff.



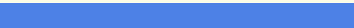

Q22: Based on your experience as an OWE staff member, how would you evaluate your level of familiarity with the financial performance of your unit?

Answer		Response	%
None		0	0%
Low		3	9%
Moderate		6	17%
High		19	54%
Complete		7	20%
Total		35	100%

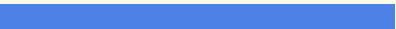


Q23: Based on your experience as an OWE staff member, how would you evaluate the importance of you being aware of the financial performance of your unit?

Answer		Response	%
None		1	3%
Low		3	9%
Moderate		12	34%
High		14	40%
Complete		5	14%
Total		35	100%

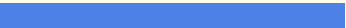

Q24: Are you interested in learning more about the financial statements of your business unit?

Answer		Response	%
Yes		26	74%
No		9	26%
Total		35	100%




Q25: Does your business unit hold huddles?

Answer		Response	%
Yes		29	83%
No		5	14%
Not sure		1	3%
Total		35	100%


Q26: If yes, do you attend huddles at your business unit?

Answer		Response	%
Yes		21	72%
No		8	28%
Total		29	100%






Q27: If no, why do you not attend huddles at your business unit?

Answer		Response	%
I am scheduled to work during huddles.		1	13%
I am not interested in attending huddles.		0	0%
I don't feel like I learn much from huddles.		1	13%
Other (Please elaborate.)		6	75%
Total		8	100%
Other (Please elaborate.)			
<ul style="list-style-type: none"> <li>• Busy during those times. Although huddle is a little misleading here. I believe a huddle should happen before every shift. The huddle you mean is more of a weekly meeting.</li> <li>• My school schedule doesn't let me go to huddles</li> <li>• I have other responsibilities the day of huddle.</li> <li>• I have class during the huddle times</li> <li>• I have school!!!</li> <li>• Huddles are scheduled when I have class or am already working. I am appreciative of the fact that the huddle notes are sent via email but they are often very difficult to decipher.</li> </ul>			

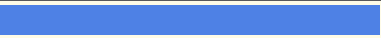

Q28: Do staff huddles help you learn about what is happening in the workplace?

Answer		Response	%
Yes		19	90%
No		2	10%
Total		21	100%

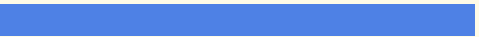

Q29: Huddles at OWE business units use a “white board” with targets for business performance. How effective is the “white board” in helping you understand your business unit’s overall business performance?

Answer		Response	%
Very Ineffective		0	0%
Ineffective		1	5%
Neither Effective nor Ineffective		1	5%
Effective		14	67%
Very Effective		4	19%
No idea		1	5%
Total		21	100%






Q30: Do you make decisions in your daily work based on “white board” targets set in your huddles?

Answer		Response	%
Yes		16	76%
No		5	24%
Total		21	100%

Q31: Do you understand how what you do impacts your unit’s financial statements?

Answer		Response	%
Yes		20	95%
No		1	5%
Total		21	100%

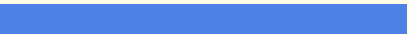


Q32: How effective is the “white board” in helping you understand OWE’s sustainability performance?

Answer		Response	%
Very Ineffective		3	14%
Ineffective		3	14%
Neither Effective nor Ineffective		11	52%
Effective		2	10%
Very Effective		0	0%
No idea		2	10%
Total		21	100%

Q33: What, if anything, would you change about the huddles?

Text Response	
• Continue to improve them.	
• include our entire staff	
• We have not had any full huddles yet. Would have more info in future.	
• I would add beer consumption/sampling to the huddles. People tend to open up more while having drinks.	
• It seems very repetitive about the information we talk about on a weekly basis. Some times like we have to find things to talk about.	
• Get more non-management involved. Not have managers as line-owners.	
• the name	
• Set up the whiteboards so that we don't lose gain share when we hit all of our goals maybe?	
• Shorten and cut out the BS	
• Trainees must attend at least one huddle	
• We just started and have a ways to go to make sure we're rolling.	

Q34: Do you feel you have an impact on the financial performance of your business unit?

Answer		Response	%
Yes		29	83%
No		2	6%
Not sure		4	11%
Total		35	100%





Q35: In what ways do you feel you impact the financial performance of your business unit?

Text Response
<ul style="list-style-type: none"> <li>• pay (bonus), morale, job satisfaction</li> </ul>
<ul style="list-style-type: none"> <li>• charging appropriate prices. addressing staff hours bloat</li> </ul>
<ul style="list-style-type: none"> <li>• I set the standard for our company's performance. I set scheduling, ordering, project management, logistics, sales, help in marketing and set the tone for the company.</li> </ul>
<ul style="list-style-type: none"> <li>• Mostly in terms of reporting &amp; assisting the financial performance of other business units through coupon tracking, bookkeeping, collections etc. But then any employee can have a positive financial impact on a business unit: just being cognizant of time management &amp; task prioritization over time can yield results.</li> </ul>
<ul style="list-style-type: none"> <li>• Sales, suggestive selling, positive guest experience persuades guests to come back.</li> </ul>
<ul style="list-style-type: none"> <li>• As a server I directly interact with customers and am a large part of their experience. If I do my job well, they will want give repeated business .</li> </ul>
<ul style="list-style-type: none"> <li>• If you don't satisfy a customer, they won't come back. That is one less paying customer</li> </ul>
<ul style="list-style-type: none"> <li>• I bring in service, I am a good worker and bring in good tips, I am friendly and invite people to return, and they do</li> </ul>
<ul style="list-style-type: none"> <li>• By providing the best, friendliest customer service I'm capable of. A happy customer is a repeat customer.</li> </ul>
<ul style="list-style-type: none"> <li>• Quality, speed, customer service, and tracking the money brought into the business day in and day out.</li> </ul>
<ul style="list-style-type: none"> <li>• Building loyalty with customers is the best way to ensure financial success. This is something that we have been doing for years with the entire staff.</li> </ul>
<ul style="list-style-type: none"> <li>• As GM, the financial performance directly affects my bonus!</li> </ul>
<ul style="list-style-type: none"> <li>• ensuring guests continue to have positive experiences. I am very organized and keep tabs on a large amount of our inventory.</li> </ul>
<ul style="list-style-type: none"> <li>• I book all the weddings at catering :) I take the time to look at each wedding individually to be sure the event is profitable in itself</li> </ul>
<ul style="list-style-type: none"> <li>• By providing good customer service and by creating and maintaining a friendly atmosphere customers are more likely to enjoy their time spent at the restaurant and are therefore more inclined to return.</li> </ul>
<ul style="list-style-type: none"> <li>• I order and inventory all food and paper goods, manage the upkeep of our building and equipment, as well as schedule and manage staff and payroll.</li> </ul>
<ul style="list-style-type: none"> <li>• Sales. Suggestive selling. Friendly customer service. Knowing the regulars and creating new ones by providing a welcoming environment.</li> </ul>
<ul style="list-style-type: none"> <li>• Having friendly and positive interactions with customers.</li> </ul>
<ul style="list-style-type: none"> <li>• Lol...too much to tell.</li> </ul>

Q36: To what extent do you agree with the following statements?

Answer	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Total Responses	Mean
My job offers me challenges I can solve creatively	2	3	6	19	3	33	3.55
My personal values are aligned with the company's	1	3	6	17	6	33	3.73
The skills I develop in my current job will benefit me in the future	2	2	5	12	12	33	3.91
This is a great place to work	0	0	9	8	16	33	4.21
I feel safe in my work environment	0	0	7	12	14	33	4.21
I enjoy my job	0	0	8	14	11	33	4.09

Q37: How well do your supervisors recognize staff for their work?

Answer		Response	%
Very poorly		0	0%
Poorly		9	27%
Okay		7	21%
Well		12	36%
Very well		5	15%
Total		33	100%

Q38: What are some ways that staff are recognized for their work?

Text Response
<ul style="list-style-type: none"> <li>• praise, pay</li> <li>• annual awards, regular feedback</li> </ul>
<ul style="list-style-type: none"> <li>• Verbal thank you's. Night's out sporadically for staff, paid by company. Fun trips for collaborations.</li> </ul>
<ul style="list-style-type: none"> <li>• anniversary bonuses, performance bonuses, attendance incentives, positive attitudes, kind words for good work, &amp; appreciation all come to mind (and that is my short list).</li> </ul>
<ul style="list-style-type: none"> <li>• Umm....maybe getting a free beer.</li> </ul>
<ul style="list-style-type: none"> <li>• comped beers for staff members that deal with extreme challenges of the job well (ie busy nights, high volume with the occasional staff shortages); longevity is also rewarded- bonus checks are issued at anniversary dates</li> </ul>
<ul style="list-style-type: none"> <li>• I've been told i'm doing a good job etc..</li> </ul>
<ul style="list-style-type: none"> <li>• positive verbal reinforcement</li> </ul>
<ul style="list-style-type: none"> <li>• The cards that employees fill out that managers recognize. After long shifts, managers are encouraging</li> </ul>
<ul style="list-style-type: none"> <li>• If it is shown in front of the managers or if someone writes about them in a ROCKS</li> </ul>
<ul style="list-style-type: none"> <li>• anniversary bonus check each year that they work</li> </ul>
<ul style="list-style-type: none"> <li>• Shout-outs are given to employees in the "Appreciations" section of the huddle notes.</li> </ul>
<ul style="list-style-type: none"> <li>• huddle appreciations, homecoming/little 5 after parties, company events (ie Pacer game)</li> </ul>
<ul style="list-style-type: none"> <li>• Gain share, profits, coupons, verbal praise.</li> </ul>
<ul style="list-style-type: none"> <li>• verbally</li> </ul>
<ul style="list-style-type: none"> <li>• I tell people nice job and thank you often, especially thank you when they are leaving for the day. I attempt to reward people who do a good job with a schedule that reflects that.</li> </ul>
<ul style="list-style-type: none"> <li>• Occasional verbal thank you/appreciation from management</li> </ul>
<ul style="list-style-type: none"> <li>• Receive praise or positive feedback from customers or guests at events. Personal thanks for their hard work.</li> </ul>
<ul style="list-style-type: none"> <li>• Verbal compliments. Better shifts</li> </ul>
<ul style="list-style-type: none"> <li>• We need to work on this. I think there's a little bit of a gap.</li> </ul>



Q39: How would you like to be recognized for your work?

Text Response
<ul style="list-style-type: none"> <li>• praise, pay</li> </ul>
<ul style="list-style-type: none"> <li>• With recognition from management. Pay increase relative to workload.</li> </ul>
<ul style="list-style-type: none"> <li>• A little appreciation goes a long way with me...</li> </ul>
<ul style="list-style-type: none"> <li>• Its not about being recognized but being treated equally and fairly. It seems there is more passive aggressive punishment, rather than encouraging people to step out for the opportunity to be recognized. When more punishment and bullshit passive aggressiveness is being used, why would employees go out of their way to step up when you know you wont be recognized.</li> </ul>
<ul style="list-style-type: none"> <li>• no opinion</li> </ul>
<ul style="list-style-type: none"> <li>• good shifts after good performance</li> </ul>
<ul style="list-style-type: none"> <li>• Continue to be recognized by the managers</li> </ul>
<ul style="list-style-type: none"> <li>• I think that I am recognized as a good worker. Most managers praise the employees often and there is usually a positive atmosphere at work</li> </ul>
<ul style="list-style-type: none"> <li>• A simple "good job tonight" is all the recognition I'd like.</li> </ul>
<ul style="list-style-type: none"> <li>• monetary rewards</li> </ul>
<ul style="list-style-type: none"> <li>• A greater sense of ownership of the unit and profit share that reflects amount of hard work that is being put into the unit. Annual raises for loyal employees who choose to stick with our company year and year out.</li> </ul>
<ul style="list-style-type: none"> <li>• pay increases or bonus</li> </ul>
<ul style="list-style-type: none"> <li>• performance evaluation, cards, rewards</li> </ul>
<ul style="list-style-type: none"> <li>• Increased pay.</li> </ul>
<ul style="list-style-type: none"> <li>• Gifts of some sort - cash, gift card, fun new office supplies, employee parties (holidays or random)</li> </ul>
<ul style="list-style-type: none"> <li>• A raise would be nice.</li> </ul>
<ul style="list-style-type: none"> <li>• Verbal compliments. Better shifts</li> </ul>
<ul style="list-style-type: none"> <li>• I would like to be trusted, have a voice and be compensated.</li> </ul>

Q40: How often do you feel that your supervisors:

Answer	Never	Sometimes	Most of the time	Always	Total Responses	Mean
Are effective leaders	3	8	15	7	33	2.79
Create an open and inclusive work environment	1	4	14	14	33	3.24
Act on your suggestions	1	13	16	3	33	2.64
Address your concerns	1	10	14	8	33	2.88
Treat all staff fairly	2	7	11	13	33	3.06
Consistently enforce workplace rules	1	10	11	11	33	2.97

Q41: How often do you feel that you:

Answer	Never	Sometimes	Most of the time	Always	Total Responses	Mean
Are an important contributor to your business unit	0	7	17	9	33	3.06
Are comfortable sharing your opinions on workplace policies and procedures	0	7	15	11	33	3.12
Can balance your work obligations with your personal life	0	9	14	10	33	3.03
Feel stressed when you are at work	0	25	6	2	33	2.30

#### Q42: What can your supervisors do to improve your work environment?

Text Response
<ul style="list-style-type: none"> <li>Set more specific guidelines for what my position does, instead of sometimes having an all encompassing job that doesn't feel defined. Allow me to be more of a decision maker and not micromanage.</li> </ul>
<ul style="list-style-type: none"> <li>Not much: this is a great place to work.</li> </ul>
<ul style="list-style-type: none"> <li>Be on the same page, pay attention, create a balanced work environment, step up, actually do managerial duties, don't take the easy road out - (which is just ignoring like they always do), make informed decisions, stop being so damn lazy, seriously I could just go on.... Sometimes I wonder how some were even allowed to become supervisors...</li> </ul>
<ul style="list-style-type: none"> <li>they do a great job. nothing comes to mind</li> </ul>
<ul style="list-style-type: none"> <li>some sort of evaluation?</li> </ul>
<ul style="list-style-type: none"> <li>I feel very comfortable at my work environment</li> </ul>
<ul style="list-style-type: none"> <li>Floor mats. My feet hurt very much after every shift. This is largely due to the fact that I'm standing directly on hard tile my entire shift.</li> </ul>
<ul style="list-style-type: none"> <li>fix the parking lot/alley at crosstown where Lennies/Brew Pub/Pizza X are located</li> </ul>
<ul style="list-style-type: none"> <li>The parking lot and alley area needs repaired. It not only puts wear and tear on my vehicle but it is also dangerous for employees to walk in the back alley, with all of holes and lumps. We are encouraged to park in the back and side of the building, to leave room for customers out front, but we have to drive through the alley that is not in good repair.</li> </ul>
<ul style="list-style-type: none"> <li>improve consistency with following all procedures and standards.</li> </ul>
<ul style="list-style-type: none"> <li>Provide more support to the management of Pizza X. Respond to concerns that are raised. Reinvest more of the profits into the business (replace old coke machines, replace stick ovens, fix make table, repave alley, stop electrical current flowing through cut table). Give Lennie's accounts back to the management. Create a pay-structure that encourages employees to stay with the company for more than a year.</li> </ul>
<ul style="list-style-type: none"> <li>lead by example not just talk and idealism</li> </ul>
<ul style="list-style-type: none"> <li>I think it's out of management's reach to turn our customer base from drunk garbage people to decent humans, but if they can I'm all for it.</li> </ul>
<ul style="list-style-type: none"> <li>Improve heating/cooling situation. Can be unbearable in the summer and winter.</li> </ul>
<ul style="list-style-type: none"> <li>Not much comes to mind</li> </ul>
<ul style="list-style-type: none"> <li>I think our GM doesn't really know how to lead and inspire people and definitely doesn't know how to train. At least our GM is not a control freak and squashes good ideas when they come up.</li> </ul>

Q43: Do you feel being formally evaluated annually by your manager(s) would be valuable? The evaluation would include a meeting between each staff member and management to discuss performance.

Answer		Response	%
Yes		21	64%
No		4	12%
Not sure		8	24%
Total		33	100%

Q44: Do you feel formally evaluating your own manager(s) annually would be valuable?

Answer		Response	%
Yes		22	67%
No		4	12%
Not sure		7	21%
Total		33	100%

Q45: In general, are your supervisors willing to adjust your work schedule when needed?

Answer		Response	%
Yes		33	100%
No		0	0%
Total		33	100%


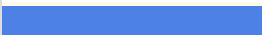


Q46: Are you interested in advancing to a higher position within the company?

Answer		Response	%
Yes		15	45%
No		6	18%
Not sure		12	36%
Total		33	100%


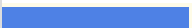
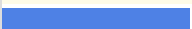

Q47: How much opportunity is there to advance to a higher position within the company?

Answer		Response	%
None		2	6%
Not much		18	55%
Some		8	24%
A great deal		5	15%
Total		33	100%


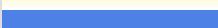

Q48: In comparison to similar businesses, I feel that OWE's wages/salary are:

Answer		Response	%
Much worse		0	0%
Worse		7	21%
Similar		18	55%
Better		6	18%
Much better		2	6%
Total		33	100%

Q49: In comparison to similar businesses, I feel that OWE's benefits (e.g. health insurance, paid vacation, etc.) are:

Answer		Response	%
Much worse		0	0%
Worse		4	12%
Similar		13	39%
Better		13	39%
Much better		3	9%
Total		33	100%





Q50: In comparison to similar businesses, my business unit's staff turnover rate is:

Answer		Response	%
Higher		8	24%
Lower		15	45%
About the same		10	30%
Total		33	100%


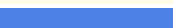
Q51: How important are the following categories in your life right now?

Answer	Very important	Somewhat important	Neutral	Not important	Total Responses	Mean
Socializing	8	13	10	2	33	2.18
Family	18	8	4	3	33	1.76
Education	7	13	10	3	33	2.27
Travel	7	19	6	1	33	2.03
Retirement	10	6	7	10	33	2.52
Saving money for the future	26	5	2	0	33	1.27

Q52: Does your position at your business unit prevent you from participating in what is important in your life?

Answer		Response	%
Never		6	18%
On Occasion		19	58%
Frequently		5	15%
Constantly		3	9%
Total		33	100%

Q53: Should your business unit do more to promote a healthy lifestyle beyond the programs in place (such as bike to work month, free yoga passes, etc.)?





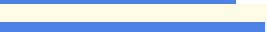
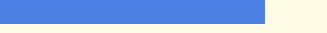

Answer		Response	%
Yes		21	64%
No		12	36%
Total		33	100%

Q54: Why do you think OWE should do more to promote a healthy lifestyle?









Text Response
<ul style="list-style-type: none"> <li>• it aligns with my personal values</li> <li>• promoting a healthy lifestyle promotes a better work environment. I know I was at my best as an employee when I was physically and mentally most healthy, but when those broke down work performance followed as well.</li> <li>• Healthy workers will be able to work better and longer</li> <li>• Healthy lifestyles are good?</li> <li>• wellness programs</li> <li>• Because a healthy employee is a happy employee.</li> <li>• Healthy products for staff and customers to enjoy.</li> <li>• work with our insurance to make sure staff is getting scheduled and required check-ups, alternative drink options, alternative food options</li> <li>• not sure</li> <li>• We all eat a lot of food being in the f&amp;b business. We don't make a lot in wages and we work odd hours to serve our customers.</li> <li>• Theoretically, if we are healthier as a society, we shouldn't have to pay so much for insurance.</li> <li>• Everyone should strive to be healthier. If owe can promote that then that's great</li> <li>• We don't pay staff enough, don't pay for vacations except for a select few and have a not very great health plan. Most staff that have our health plan would go bankrupt if they got into a bad accident based on what they are paid. I am amazed that people have families with what they make here.</li> </ul>



Q55: What keeps you coming back to your job? (Select all that apply)

Answer		Response	%
The benefits		12	36%
Coworkers/friendships		24	73%
It's a job		23	70%
The customers		16	48%
The value(s) of the business		18	55%
The flexibility		22	67%
Other (Please specify)		5	15%
Other (Please specify)			
<ul style="list-style-type: none"> <li>• The ability to control my time, schedule, work.</li> <li>• Lennie's coworkers are my friends and family. I could not have asked for a better college job</li> <li>• I love working here and I think we help enrich our guests lives.</li> <li>• Gotta take care of my family</li> <li>• Addicted to the food industry and the development of our staff members.</li> </ul>			

Q56: What could be improved at OWE? (Select all that apply)

Other (Please specify)			
Answer		Response	%
I don't make enough		15	45%
I work too much		8	24%
I work too little		0	0%
I need more benefits		7	21%
The management		11	33%
The staff		6	18%
The values of the business		6	18%
Nothing		9	27%
Other (Please specify)		7	21%
<ul style="list-style-type: none"> <li>• I feel like the answers to this question use negative language, rather than constructive language</li> </ul>			

- While I would like to make more money, I'm newer and recognize that that comes with positive contributions through my work over time. I'm good with that!
- As a server at Lennie's I could make enough, it's being put in other positions such as food runner that makes it so I don't meet my monthly income budget.
- Leading the customer to believe that the full delivery fee charged to a customer goes to the driver
- There is not really a competitive wage to keep employees to stay around
- Nothing comes to mind
- Higher quality toppings such as sliced tomato instead of diced should be used.