Ben E. Keith Individual Appendix

Appendix A   Interview Summary

1. **Our understanding is that there are recruiting challenges in getting qualified candidates to keep up with your workforce demands in warehouse and truck driving jobs. Can you tell me about your perspective on the challenge and how long it's been a concern?**

   Answer: It is hard to get candidates and retain them. Our en-route associates load up the cases with a two-wheeler and that gets put on the truck in the warehouse so they have to manually touch every case. So it's a very hard labor intensive and we have tried many ways to take the work out of the jobs that they do. When I started 31 years ago, there was a fear we'd run out of truck drivers, and I still hear the same thing today. One fix is pay. We see a rise in expense for these labor functionalities. So it's really a problem, it'll continue to be a problem, I think we'd look into autonomous vehicles.

   I've been here 16 years and we've been talking about it ever since then. The way the question is phrased is really bringing in fairly two perspectives. One notion is about recruiting, the what, if, and how, and whether or not there is a correlation between recruiting and the selection process that is being used to come in. Those are very different things. What we found to Roy's point is that people still gravitate towards us given our quality of the work, the communal effect, but it does not diminish the requirements of extreme difficult labor once they get in here. So if you look at opening the door for opportunity for folks to come in and they are confronted with the reality of the work, this notion about retention becomes a whole other issue then since there are a lot of dimensions/variables that go into making these employees stick with the company.

2. **We also understand that competition for qualified candidates has been increasing, including from eCommerce companies. Can you tell me about your perspective on the competition for workers?**

   Answer: In the past, we have hired drivers from other foodservice distributors and thought "well that's great we just have to train them in our system" but we had a terrible retention rate when we hired those people. Common sense wise you would think that we were doing the right thing but what we found out is that for drivers that we can grow and train on our own, to get a CDL license, you have to go to school and accreditation. Even now, they don't drive to the DMV and pass the driving test. It happens at the "school" for obtaining CDL. About 3-4 years ago the school was looking for a

different type of applicant, someone who worked at Home Depot or Lowe's or flipping hamburgers. They wanted more and were willing to do more work to get more and through this training process we taught them how to drive and use our systems. We physically fitted them by doing their activity. In pre-COVID, Dallas, Oklahoma started following this trend. But they were getting applicants from the warehouse (which was good because they were physically fit), we just needed to train them how to drive the truck and how to use the technology software.

3. **How do you think this problem has been affected by the pandemic? Do you see this problem continuing post-pandemic?**

   Answer: We made some executive positions since our volume has dropped off for the company. First people to go were drivers in the training program. Some of the warehouse workers who weren't high producers were let go, or those who had long tenure. We cut one time but pretty hard and deep. We ended up hiring some of those back as business picked up, and we're trending about 3-5% losses in sales. So that is how the pandemic had affected the programs. The driver training programs are back in full swing, there is not a waiting list for the routes but we think there soon will be.

4. **Are you content with the candidates that you do accept into the jobs?**

   Answer: There are criteria that we look at for HR review and pre-screening review for any employer that is hired in the warehouse categories, whether it's physical capabilities, prior work history, we may even try to create a situation where we try to expose them to the nature of the kind of work they'll be doing, and suitability for that work. As it relates to turnover, we absolutely look at this. It is going as expected, we measure each month our actual turnover activity within each division versus what we projected.

5. **What are some growth opportunities for these jobs? What are their career paths forward?**

   Answer: Employees are informed of the potential for increase in income once they come in. They know what needs to be done to succeed and exceed expectations. We do have extensive performance metrics. We hire from within every chance we get, my career started in 1990 and I was an order selector and I worked and moved up to a RSA, then warehouse supervisor, then driver supervisor, then transportation manager, then assistant operations manager, then assistant general manager all the way to VP. I've talked to senior management staff and they want to follow a program in-depth as ours in the beverage division and my counterpart is looking into that.

6. **Are potential candidates and new employees made aware of career paths, for example in job descriptions?**

   Answer: We shovel two 28-foot trailers and bring them to the domicile, load it up, and the primary driver does the delivery. So there's hooking and unhooking but no running down the ramp for groceries. This is one way we have a growth opportunity for drivers. Another is transportation supervision. In the warehouse, everyone starts out training there to get in shape. The success rate in training them there versus the freezer or cooler is that they don't need the envi-

ronmental stress. So if they're successful on the drive, they move to cooler, then they move to freezer.

7. **What are some rewards & recognition programs for these jobs, if any?**

   Answer: We provide a tuition reimbursement program based on the nature of coursework and the degree level for which they are pursuing and we will reimburse tuition related expenses for them. We've done that for many years for our employees and have had some of them go from HS diploma to AA, or bachelors degree.

   Certainly we want to provide recognition to those employees vital to our success so we have this QSA program that has this recognition, and there's even competition among the division to see who can achieve the highest score. We have a banquet for the QSA, they have a competition, and ultimately the winner of those come to the big corporate event we have. Then the winner of that even (from the driver side) goes to disney world and meets others around the country. We have a monthly newsletter where they call out top performers, a RSA or Warehouse associate of the month.As employees of Ben E. Keith company, they also participate in other levels of recognition, for example we have tenure anniversary dates in addition to the great points Roy mentioned.

8. **Has your company considered or implemented technology solutions to relieve job shortages, such as autonomous labor? If autonomous labor has been employed, what stage is it at?**

   Answer: The stage we're at now is pretty much in its infancy, we use it for slow moving items. In our very narrow aisles, we pick all those and then re-select it, put it on our route spots, and it's very labor intensive. Most food companies were doing it that way. We put the slow movers in automation so that the regular selector can go pick it up at the right pile, right position, and takes off a lot of hand touches from the cases which saves labor. Many of those aisles stacked together. I.e. Instead of a $2 mill investment you're looking at a $70 mill investment, but saves so much labor.

Appendix B   Ben E. Keith Data Analysis

We received 9 folders from Ben E. Keith, with one folder containing the general information of across all the divisions, and eight folders containing the information of eight divisions, which include Dallas Fort Worth Division , West Texas Division(Amarillo), Southeast Division(ALabama), Oklahoma Division, Gulf Coast Division(Houston), Mid-South Division(Little Rock), New Mexico Division, and San Antonio Division, respectively.

The general information folder, which contains the general information across all the divisions, includes a dashboard summary of termination data for Ben E. Keith across its divisions for the month of February 2021, and a turnover report which includes the number of turnover and headcount across divisions.

The files provided by different divisions include qualitative information on driver-specific and warehouse-specific information which varied by division, as well as documents on job descriptions, employee benefits, safety training, goal-setting for new hires, and recruitment-related efforts for the driver and warehouse roles. We reviewed the employee data provided in addition to our follow up responses to develop several meaningful recruitment-related questions that would be interesting for Ben E. Keith to research, if they were provided certain variables or metrics as their data.

In this appendix, we suggest data that would be helpful to track based on all the files we received and responses in the interview and follow-up interview. Given those responses, we provide our thoughts on what may help the data analysis process easier to design for Ben E. Keith.

1. **Provide a list of variables to all divisions for consistency and collect data from divisions to analyze every month.**

   During the follow-up interview process, we learned that all the divisions have different ways of collecting data. We understand that this is because all the divisions are facing different situations, such as their company sizes, and each division would choose what works best for themselves. Some data such as applicants performance in the interview stage would be anecdotal. However, we think it will be beneficial for all the divisions to track some common sourcing data so that the talent acquisition team at Ben E. Keith can compare or analyze the data across divisions. This will also enable Ben E. Keith to identify opportunities for different divisions based on strengths of the other divisions. Here, we do not require all the divisions to use the same data storage system. All the divisions can still have their flexibility on collecting data with their respective tracking systems. For those variables, it will be better if all the divisions can use the same variable names (terminology) and granularity so that it will be easier to merge, analyze and compare.

   During the follow-up interview process, we saw that HRs from different divisions would meet and discuss recruitment and retention issues such as which source channel would work best. We think this is a very good way, and it would be better if we can use data directly to analyze and discuss. This could help the company to track historical events and compare data in the long term. Thus, we suggest the company merge the data collected from different divisions and compare per month.

2. **Construct an automated method to pull data from Ben E. Keith's career page for different divisions, especially for the common variables the company wants to track.**

   Ben E. Keith invested heavily in collecting data from different divisions for this project, which we highly appreciated. During the process, we learned that the data is aggregated and the IT department needs to perform some tasks on the back-end to separate the data for the careers page and more specifically, for warehouse and transportation roles. In this case, we would suggest the company construct an easy method or process to pull data from different divisions, to shorten the time of collecting data. This is so that Ben E. Keith can have a smoother process in identifying applicants and incomplete applicants using their web-data, and identifying which page during the application process potential candidates decide to stop applying. We may be able to see the drop

offs in applicants over time based on the web-data. If we see this trend, we can try to move that total number up since an increase in visibility is beneficial for Ben E. Keith.

3. **Quantify the number of new hires who leave the job during training and orientation.**

    We know orientation is typically a day at Ben E. Keith, and that associates who end up leaving the company during this beginning period are categorized as 'voluntary' termination. However, it would still be beneficial to develop a summary statistic or a chart that breaks down this voluntary departure during the training period based on job role. Even more, we can try to learn about these associates - what sourcing channel did they come from? Did they take a long time to accept the offer (suggesting hesitation in doing the job)? This information can be used in conjunction with the feedback forms that are provided to these voluntary terminations to help understand the candidate's decision to exit the company.

4. **Build a dashboard to plot time series of termination data of different divisions to explore patterns.**

    In the files we received, the termination dashboard of February 2020 was impressive, which included multiple plots showing termination by division. In the follow-up interview, we learned that the company stores monthly termination data. Thus, we suggest the company build a dashboard to plot time series data which may include data over years to see the patterns of termination of different divisions if the company has not done so. The following plot is an example from our final report, which is drawn from merged data from three of our clients. In this plot, we can see that delivery drivers usually left the company in the first two quarters (higher bars in the first few months) and after that the termination is relatively low. It will be beneficial if Ben E. Keith could have a dashboard to analyze time series data.