

FLAVOR news

CONFECTION / GRAIN / BEVERAGE / MARKET DEVELOPMENT

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THE BUSINESS CASE FOR COMPANY CULTURE

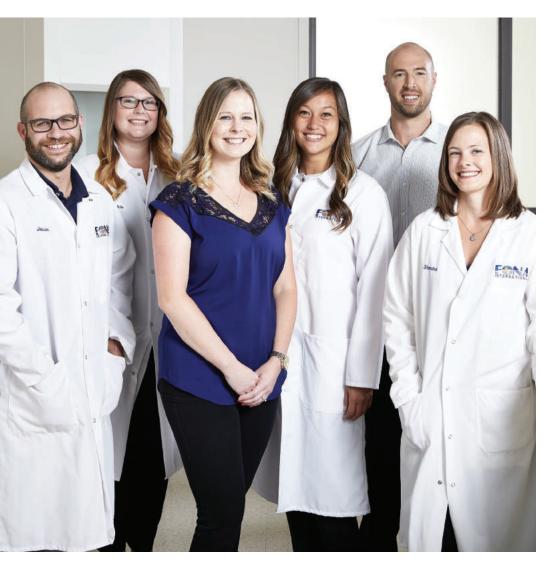
Why your organization's values, culture and employee engagement add value to a business at every level

o matter your role or title, you deserve to be equipped with the tools to grow and excel both personally and professionally. At FONA, we strive to regularly provide our partners with ideas that drive successful outcomes. Sometimes that means technical flavor analysis or consumer insights. This month, we're looking at something a little different.

Sustaining a growth culture and record-setting employee engagement has been a discretionary effort at FONA, long before "culture" was a buzzword. Customers have asked us to share the secrets to our ability to create and sustain an engaged and positive culture. We are happy to share openly. Take a look inside.

A CULTURE OF EXCELLENCE

Why your organization's values, culture and employee engagement add value to a business at every level



Culture and Engagement: Why It Matters

FONA has seen firsthand a positive impact to successful employee engagement efforts. But don't take our word for it. According to Gallup's "State of the American Workplace," higher employee engagement means that American companies see:

- 10% increase of customer satisfaction
- 21% increase of productivity
- 41% decrease of quality defects
- 48% decrease of safety incidents
- 65% decrease in employee
 turnover
- 37% decrease in absenteeism

Source: Gallup. State of the American Workplace, 2017

"I get full executive support to make things happen. I always come into work thinking that anything is possible, and that I am only limited by my own effort and ingenuity." – FONA employee, as told to Great Place to Work and Fortune Magazine

THE DIFFERENCE BETWEEN SATISFACTION AND ENGAGEMENT

Seeing Results

Every other year, consulting firm Management Resources Association (MRA) performs an employee satisfaction and engagement survey of FONA. Our 2017 survey showed that FONA continues to have satisfaction and engagement well above regional and national norms. For example, the percentage of employees satisfied with Employee Development and Recognition is 97% - that's 26% higher at FONA than other manufacturing facilities. Overall, engagement is at 76% at FONA, compared to 32% of national norms. FONA's engagement rate is the highest of any of MRA's Midwest clients.

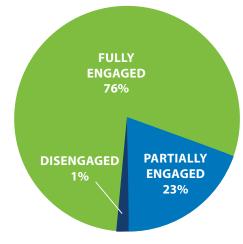
EMPLOYEE SATISFACTION:

The extent to which employees are happy or content with their jobs and work environment.

EMPLOYEE ENGAGEMENT:

The extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work.

FONA'S 2017 MRA RESULTS



- 76% Fully Engaged Compared to 32% National / 36% Regional Norms.
- Engagement continues to rise. 2017 was 11% higher than 2015.
- Highest engagement score for
 MRA's Midwest clients
- Highest engagement score in FONA history

FONA'S MOST RECENT AWARDS



GREAT PLACE TO WORK

Fortune Magazine and Great Place to Work have named FONA:

- #44 Best Workplace for Women in the Nation (any size)
- #1 Workplace in Chicagoland (small/medium)
- #43 overall workplace in nation (small/medium)



BEST & BRIGHTEST

- National Winner 101 Best & Brightest Companies to Work For (6 Consecutive years)
- Elite Winner Best & Brightest Companies to Work For (11 Consecutive years)



PRODUCT SAFETY & QUALITY

- SQF (Safe Quality Food) audit rating of 98/100 (Excellent) in 2017
- Winner of 2016 Food Quality & Safety Award.



"Management is incredibly approachable and open to hearing what you have to say... from the cleaning crew to upper management, everyone is made to feel special. We are all motivated to be better people and give to others."

— FONA employee, as told to Great Place to Work and Fortune Magazine

How This Is Done

DEVELOP AN EMPLOYEE ENGAGEMENT MODEL TO "THRIVE AS YOU"

FONA's employee engagement model is based in the idea that our employees should be able to thrive as themselves. The specific phrases we want our employees to believe: I Like the Work I Do, I See a Bright Future, I Am Deeply Connected.

FULFILL A CULTURE OF GRATITUDE

Make gratitude a part of doing business means results on every level. One example: our "hero card" program gave each employee a visible display of their accomplishments. Colleagues placed stickers to recognize specific acts and gratitude. Similarly, Thanksgiving is a favorite holiday at FONA, and features a banquet, a discretionary bonus and gifts. Saying thanks to employees – and having employees say thanks to each other has direct impact on morale and therefore a clear but indirect effect on business results.

TRANSPARENCY

Information is power. When employees understand how a business works – and how their job plays a role in that success has a direct impact on results. According to a recent Forbes' article "The Business Case for Open-Book Management," sharing openly with employees nearly always improves financial results, and it makes companies stronger in the long haul.

The article sites direct impacts:

- Engaged employees,
- Better front-line relationships with customers
- Agile response to changing customer needs
- Built-in competitive advantage.

How does FONA live out a commitment to transparency? Financial information — including budgets, forecasts and performance — are covered in monthly company-wide meetings. Even more information is shared at quarterly two-day meetings and a daily sales report is emailed to the entire organization each day.

FONA'S EMPLOYEE ENGAGEMENT MODEL The organization is investing in the future. I believe the **ISEE** organization has what it takes to **A BRIGHT** succeed. I can learn and grow. FUTURE -I feel strongly that this is a good company to work for. I have IAM a strong sense **I LIKE THE** I am challenged and there DEEPLY of team. I am **WORK I DO** are challenges I can win. valued for my CONNECTED My work has meaning. contributions. I have the tools I need to get the job done.

MEASURE AND ACT

Successful employee engagement and culture efforts require measurement and action. Changes will not be successful if done in a vacuum. It's essential to measure the effectiveness, and act on your metrics. FONA measures and acts in two key ways:

Survey Results Follow-up

We've mentioned that MRA performs an survey of FONA's Employee Engagement practices every other year. FONA gets high marks, but it's only through a dedicated process that we grow and improve. Our process to measure and act relies on clear communication, targeting gaps and acting on the feedback employees provide.

1. Share out results of survey with all employees.

Results are shared openly with each department, with questions and commentary encouraged.

2. Action Items Set. Next steps are organized as "We Heard You" (what we saw in results) and "What to Expect." (what structure will be preserved, and what improvements are coming)

3. Further exploration of any key areas. When there are clear gaps in employee engagement, FONA creates employee focus groups or ideation sessions, specifically to address needs and opportunities.

Manage & Guide Core Values

The mission of the Values Team is to ensure the integration of FONA's core values into corporate strategies, decisions, management practices and culture to drive behavior that fulfills the company's mission, vision and goals. The group meets monthly and covers three main areas: 1) Communication and Outreach 2) Evaluation and Observation 3) Recognition and Development.



So, What Does this Actually Mean to You?

EMPLOYEE ENGAGEMENT LEADS TO A CULTURE OF SERVICE FOR YOU, OUR CUSTOMER.

When employees are truly engaged with the place they work, they will go the extra mile for you. They will work smarter, and put discretionary effort into high-quality products and value-added services. They do this because they feel valued, because they see why their work matters. As we mentioned, Gallup points to a 10% increase in customer satisfaction, and a 41% reduction of quality defects at high-engagement organizations. At FONA, we truly believe that our engagement rates and our culture leads directly to growth and excellent service for you. When you win, we win. And that is why this matters on a business level.

WE WANT TO SHARE OPENLY WHAT WORKS FOR US, IN CASE IT CAN WORK FOR YOU.

What does true partnership look like? For FONA, it looks like openly sharing best practices that support successful outcomes. Some of our best ways of working have been inspired by our own vendors and partners. You never know where inspiration can strike. We invite you to hear more. If you're looking to expand or establish your own growth-focused culture, please let us know. Email feedback@fona.com or visit www.fona.com/chat.

Of course, embracing knowledge means that we are always learning, too. If you have any advice to share with us, or have any thoughts or comments – *we're listening*.



Amy McDonald Named FONA President



Amy McDonald, has nearly 30 years of experience in the food industry and joined FONA in 2006.

A proven FONA leader for more than 10 years, Amy McDonald has been named President of FONA International.

Chairman and Chief Executive Officer Joe Slawek said, "Amy is a true leader, uniquely capable of driving growth and performance, all while balancing and rebalancing the needs of customers, employees and stakeholders. "

"I'm privileged to name Amy as President. The Slawek family and I are very excited for FONA's future under her leadership," Joe said. "Amy has a profound natural competency in tactical matters, in people matters, and in strategic matters. All of this comes together to make Amy the successful leader that we observe every day."

Amy, previously FONA's Executive Vice President, has nearly 30 years of experience in the food industry and joined FONA in 2006. During her time with the company, she has guided FONA's efforts to develop innovative programs and processes to serve customer needs. She delivered consistent revenue growth and a proven track record of new business relationships and opportunities.

Amy said, "I'm so grateful to the Slawek family, not only for the opportunity to serve, but for their dream and persistence in building this amazing company. Their vision has led to 30 years of recordsetting growth and excellence. I'm truly honored to carry that vision forward." She added, "I'm thrilled to serve the FONA family and our partners as President. Winning, winning together, and winning with service and integrity — that's what it is all about."

"I'm so grateful to the Slawek family, not only for the opportunity to serve, but for their dream and persistence in building this amazing company. I'm truly honored to carry that vision forward." "I want to thank you, our customers. FONA would not exist without your confidence and good will. We are grateful for the true partnerships that we enjoy."



Chairman's Corner

Each Thanksgiving, it is time to reflect on the year's blessings. This year marks a milestone in FONA's history. I find myself looking at the last 30 years of our growth and development.

We created FONA 30 years ago with a vision for a new kind of flavor company, one that combined world-class

service with cutting-edge technology. What has come is an organization that surpasses even my hopes, driven by people who are committed, persistent, and joyful. As I transition from the day-to-day leadership of FONA to focus on my roles in the FONA Board of Directors and the Slawek Business Office, I'm grateful for so many things.

First, I want to thank you, our customers. FONA would not exist without your confidence and good will. We are grateful for the true partnerships that we enjoy. Thank you for your trust in us and thank you for 30 wonderful years. Profound gratitude goes to Amy McDonald. She is a leader in the truest sense of the word. She has taken FONA's helm as President with my complete confidence in her character and abilities.

I'm grateful and indebted to each member of my FONA family, who work relentlessly to create growth for our customers and our company. They amaze me each day.

I'm thankful for my family. I love watching each family member find their own path. My oldest son Luke is following his own entrepreneurial and generous spirit through a host of exciting endeavors in business and philanthropy. My son Kirk, also an entrepreneur, runs an incredible video production company and co-working business. Joy, our youngest, spends each day taking care of the tiniest and most fragile of people, as a nurse in a prestigious neo-natal intensive care unit. Last but certainly not least, I can't begin to thank my wife Mary enough. She is my constant partner and the glue to our family.

Of course, my deepest thanks goes to God. I have truly seen that through Him all things are possible. As my family and FONA leadership enters a new phase, I thank God for the blessings we have received and those yet to come. I am looking forward to watching FONA continue to grow and succeed as a delighted owner and board member. The future is bright!

Grateful and indebted to each of you,

Jausk

Joseph Slawek, Chairman & CEO

Faces of FONA



Christina Castlejohn

NEW HIRES Jason Taylor,

Executive Vice President of Sales

Bringing nearly 25 years of food industry experience, Jason will target outstanding business growth for FONA's valued customers. Jason has managed multi-million dollar global business channels for major food ingredient companies and food manufacturers. Jason's businessdevelopment skillset combines a talent for outstanding business growth with a foundation in technical science, as his early career focused on microbiology and chemistry. This background represents a perfect combination to serve out FONA's high-tech, high-touch mission for partners.

Christina Castlejohn, Senior Scientist – Grain

A proven subject matter expert, Christina brings more than 5 years of product development experience in snacks, bars and cereal products. Christina will lead projects with a targeted focus on helping customers grow. Christina's diverse expertise and relentless pursuit of excellence will result in the right solutions, fast, for FONA's partners. Christina has a Ph.D in Food Science and Technology from the University of Georgia.



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