

Fall 2004

Business Excellence Report

Business Excellence



A special project of the Sonoma County Economic Development Board

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In partnership with:

*United Way of Sonoma-Mendocino-Lake
Volunteer Center of Sonoma County
Community Foundation Sonoma County
Sonoma County Workforce Investment Board
Northern California Center for Well-Being*

I. Introduction

An Introduction to the Business Excellence Project:

The following report has been produced by the Sonoma County Economic Development Board (EDB) to document and publicize the efforts in employee development, employee wellness, and community service policies and practices of Sonoma County businesses. This document acts as a local benchmark for gauging voluntary business practices. This report is part of the **Business Excellence Project**, a special initiative of the EDB. The EDB has partnered with other Sonoma County organizations in order to develop this report and move ahead with the project as a whole. These organizations include: the Community Foundation Sonoma County, the Northern California Center for Well-Being, the United Way of Sonoma-Mendocino-Lake, Volunteer Center of Sonoma County, and the Sonoma County Workforce Investment Board.

Companies have an impact on many entities through their operations, products or services and through their interaction with key stakeholders such as employees, customers, investors, local communities, and suppliers. Many businesses have been able to manage this impact by adding value to the company and, at the same time, increasing economic and social well-being now and over the longer term. Sonoma County companies can take pride in the fact that they support employee well-being, and encourage donating to charity and volunteerism.

The four purposes of the **Business Excellence Project** include:

- Creating awareness among senior managers that consideration of business excellence can provide benefits to their business and to the community
- Illustrating different pathways to implementing best practice initiatives and obtaining successful business management results
- Providing hands-on tools and innovative business ideas for companies that are beginning to explore new techniques and strategies in business best practices
- Enhancing business-to-business communication to achieve enhanced quality of life and economic progress

The **Business Excellence Project** consists of:

- **Business Excellence Progress Report:**
An annual report on the voluntary best practices of leading local businesses, derived from the *Voluntary Business Excellence survey*, that acts as an indicator and reference for the community and individual businesses.
- **Voluntary Environmental Best Practices Survey:**
An annual survey of the voluntary environmental practices of leading local businesses, the results of which form the basis of the *Best Practices Progress Report*.

It is hoped that this project will act as an impetus to encourage more businesses to implement “business excellence,” and that readers find it useful and informative.

For more information about the Sonoma County Economic Development Board or to obtain a copy of the report, please visit the EDB website at www.sonoma-county.org/edb.

II. Business Excellence Progress Report 2004

Business Excellence

A. Executive Summary

The 2004 **Sonoma County Business Excellence Progress Report** analyzes responses to the 2004 **Voluntary Business Excellence Survey**.

The **Voluntary Business Excellence Survey** drew responses from a variety of businesses representing most key sections of the local economy. The self-assessment consisted of a written survey sent out to about 300 leading companies from more than 20 sectors in Sonoma County. Responses were received from 90 companies, for a response rate of 30%.

Companies in Sonoma County have proved that they can enhance their performance if they work with local volunteer and community groups to develop projects that benefit the community. Activities can range from employee volunteerism to providing services and equipment through in-kind donations. As well as benefiting the community, a well-structured program can develop and motivate the staff, generate positive publicity, enhance customer loyalty, and aid business planning.

KEY SURVEY FINDINGS

- Ninety-four percent of responding business leaders report having some type of reward system in place for employees.
- More than 90 percent of respondents encourage employee wellness.
- Local business leaders are invested in promoting social service or community activities; 77 percent of responding businesses support such causes.
- Ninety-six percent of respondents actively engage in training and education in the workplace.

Sonoma County companies share a core belief: An increased commitment to volunteering and civic participation builds stronger communities and enables businesses to “do well by doing good.”

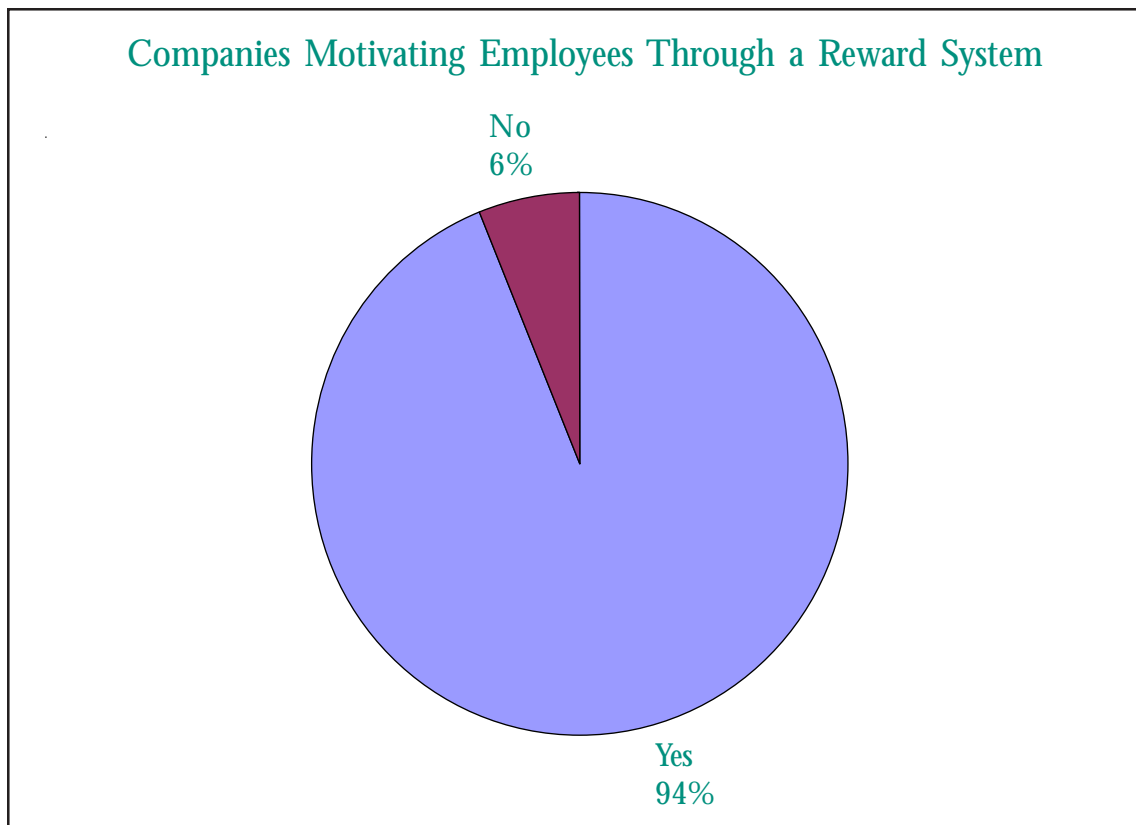
For the 2004 **Business Excellence Report**, the EDB has identified a number of **key opportunities** for area businesses and resource groups:

- Seek marketing and outreach opportunities to provide resources to firms that desire information on how to implement best practices.
- Increase ongoing partnerships with local nonprofit, government, and business leaders to ensure that the commitment to service continues to grow in each community.
- Create a detailed record of business volunteer service to effectively track what efforts are proving most successful.
- Maintain the existing survey participation while increasing participation rate next year.
- Develop newsletter to publicize voluntary efforts in employee development, employee wellness, and community service policies
- Create catalogue of the case studies arranged by type of company and activity
- Develop “How-To” guides that help businesses develop business excellence programs within their organizations.

B. Survey Results and Analysis

This report details the results of a survey sent to leading Sonoma County businesses representing most key sections of the local economy. This analysis uses the survey results to describe the voluntary steps taken by local companies to improve both their community outreach and financial performance.

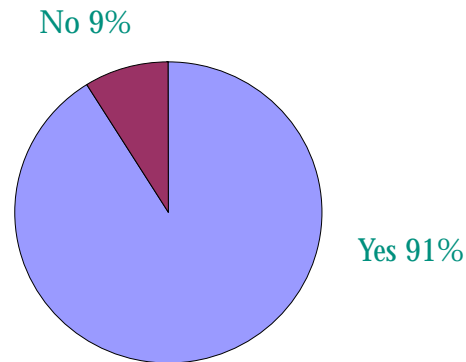
1. Does your company motivate employees through a reward system? (e.g., bonuses, recognition, special events, etc.)



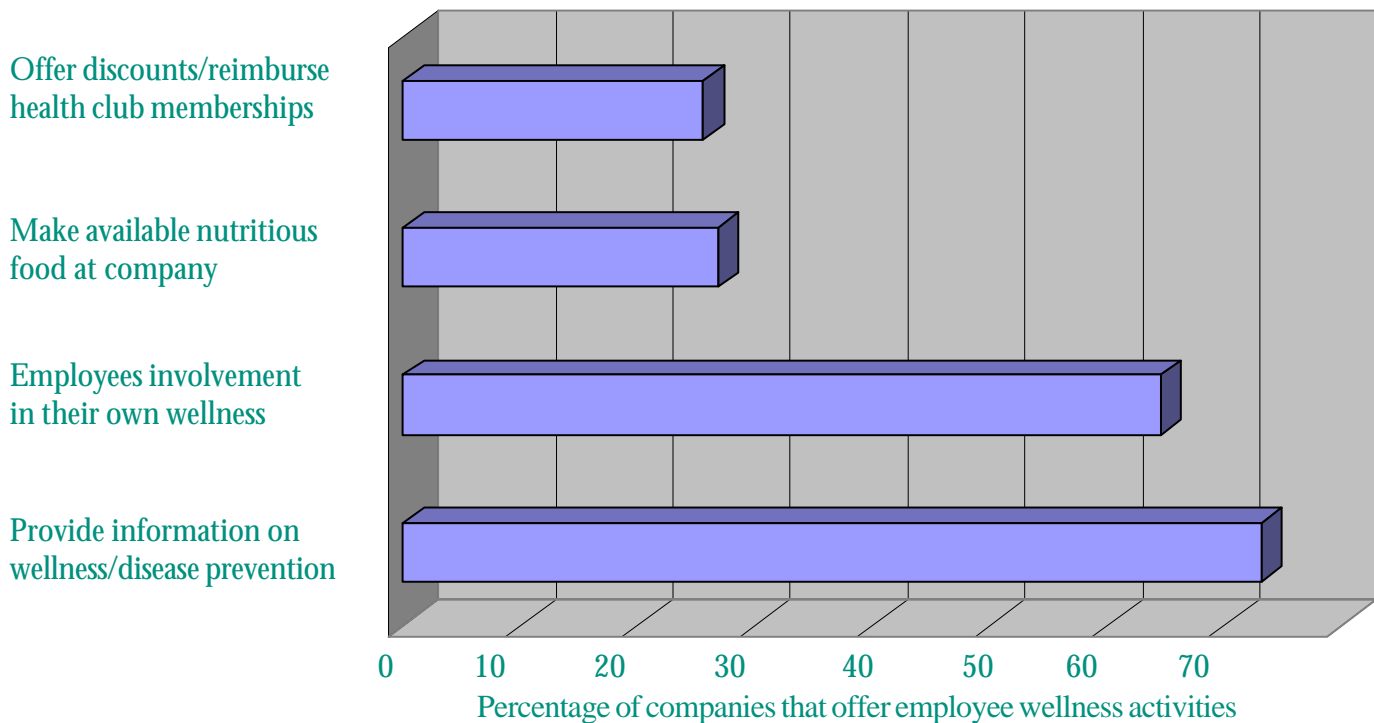
Most Sonoma County businesses report motivating their employees through some type of reward system. Respondents said this involved rewarding employees through bonuses, company gatherings, employee-of-the-month programs, and a variety of incentive programs. A few companies have also devised profit-sharing programs as well as stock options. Among the most popular were reward systems with incentives for good safety records.

2. Does your company encourage employee wellness?

Percentage of Companies Encouraging Employee Wellness



Breakdown of Ways to Encourage Employee Wellness



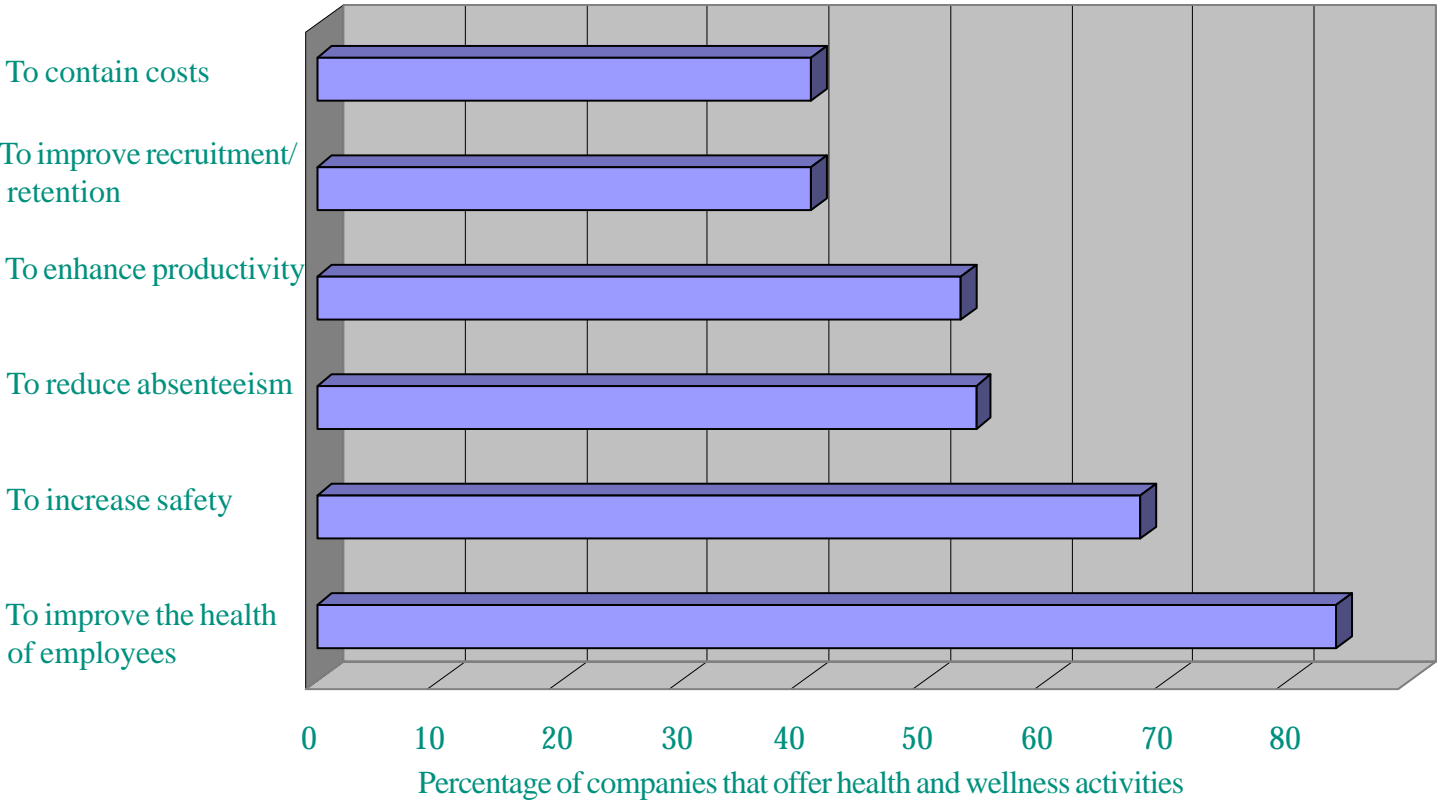
More than 90% of responding businesses encourage employee wellness. Two-thirds of Sonoma County CEOs responding to the survey provide information on wellness and/or disease prevention, while more than half encourage employee responsibility for their own wellness. In addition, nearly one-quarter of respondents make available nutritious food in the company cafeteria, vending machines, or at company-sponsored events. A few companies also offer discounts or reimburse employees for health club memberships, while other companies participate in annual wellness fairs.

3. Does your company offer workplace health and wellness activities? If so, why?



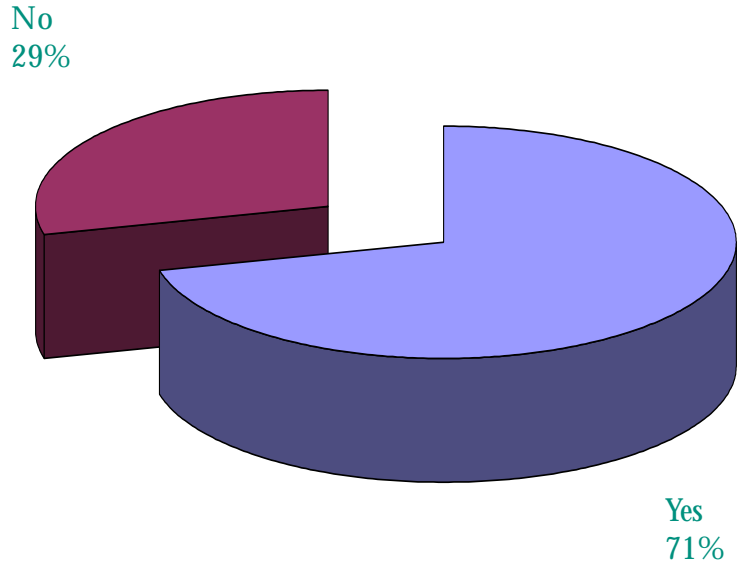
Ninety percent of responding companies offer some type of workplace health and wellness activity. Offering workplace health and wellness activities can raise awareness and encourage employees to manage their health and adopt a healthy lifestyle. About three-quarters of responding businesses offer health and wellness activities to improve the health of their employees. More than half believe that such activities lead to an increase in safety. Companies also believe that health and wellness activities enhance productivity, improve the recruitment and retention of employees, and serve to contain costs.

Reason for Offering Workplace Health and Wellness Activities

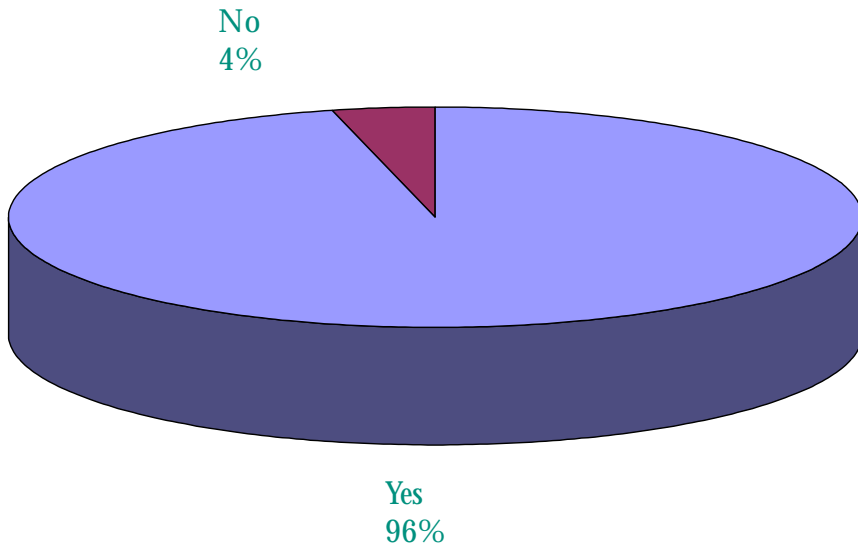


4. Does your company regularly participate in community health promotion or social service activities? (e.g., blood drives, run/walk-a-thon, United Way Day of Caring, clothing/food drives, etc.)

Seventy-one percent of responding company CEOs report regular participation in community health promotion or social service activities. Participation in community blood drives and food banks was the most popular community service activity among responding companies. Some companies have also developed employee blood drive programs as part of the company's overall mission.

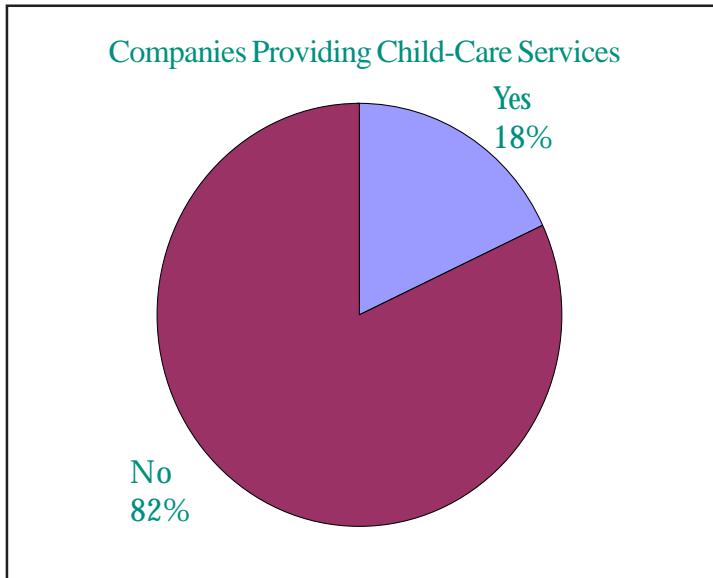


5. Does your company actively engage in employee training in the workplace? (e.g., In-house training, on-the-job training, educational institutions, external contracted training, etc.)



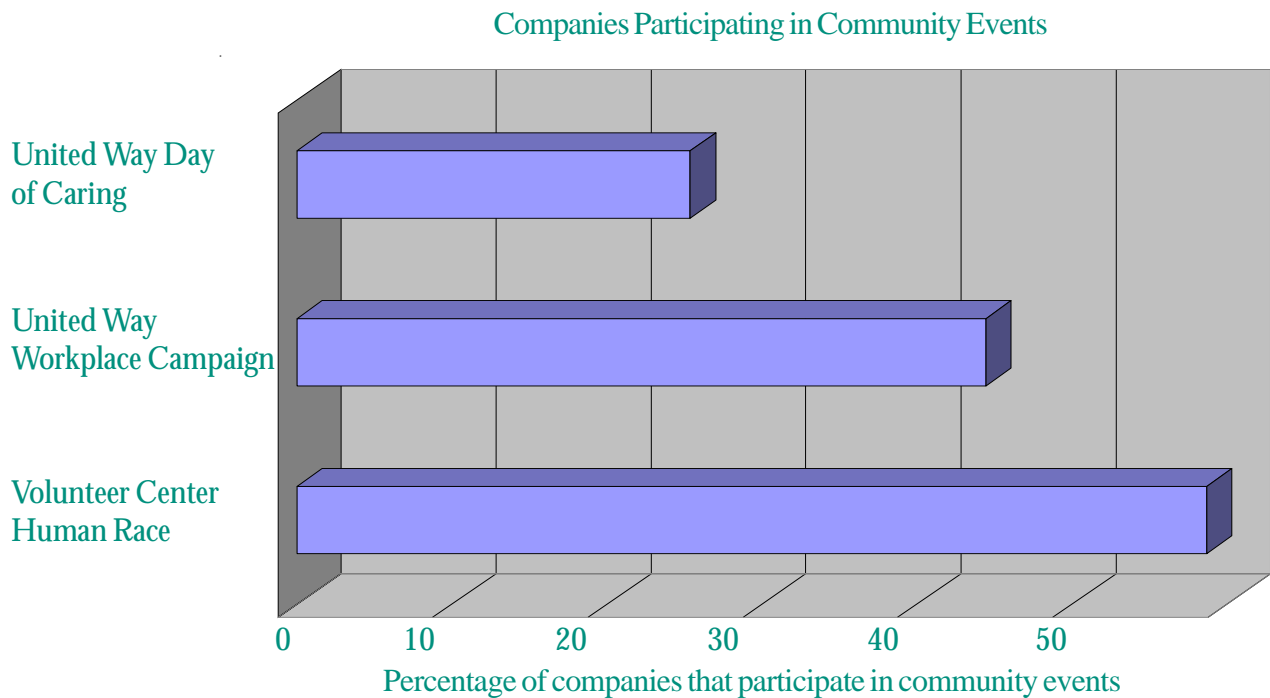
Nearly all companies responding to the survey actively engage in employee training in the workplace. Most companies engage in in-house training and on-the-job training. Other responding businesses use external contracting through educational institutions and seminars/workshops. Some companies take advantage of Internet resources by offering online training courses or certification programs.

6. Does your company provide child-care services such as on-site family child-care services, child-care information or reference services, financial assistance or day camp during the summer?



Eighteen percent of businesses responded that they provided services such as on-site family child-care services, information or reference services, financial assistance or day camp during the summer. Most common for companies providing these services is offering child-care information to employees and references to professionals.

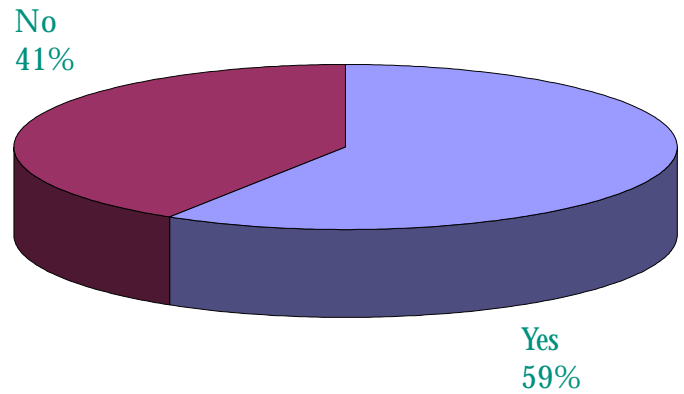
7. Does your company participate in any of the following events?



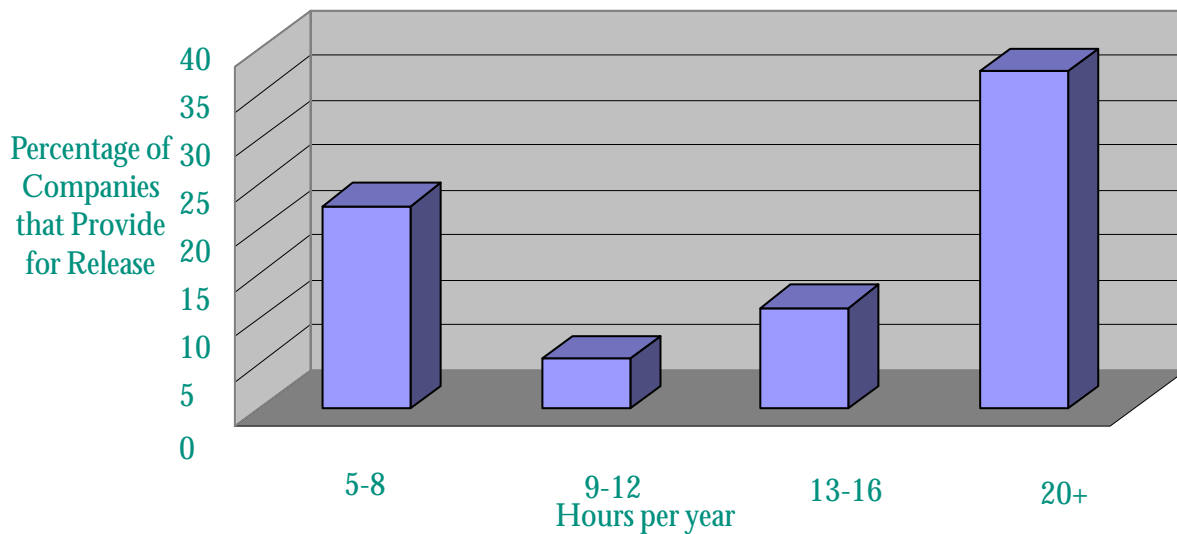
Nearly three quarters of responding companies participate in at least one of the larger community events put on by the United Way of Sonoma-Mendocino-Lake or the Volunteer Center of Sonoma County. Companies responding to the survey also participate in other events including Youth Business Week, "Hit the Road Jack," Make a Wish Foundation, Hands Across the County, and many more.

8. Does your company provide release time for staff to participate in community service/ involvement?

Nearly 60 percent of responding companies incorporate release time for staff to participate in community involvement as part of their overall community service outreach. More than 35 percent of businesses reported providing 20 hours or more per employee per year for community causes.

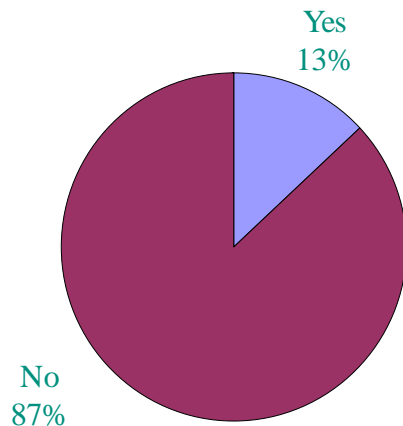


Number of Hours Per Employee Per Year Provided for Release Time



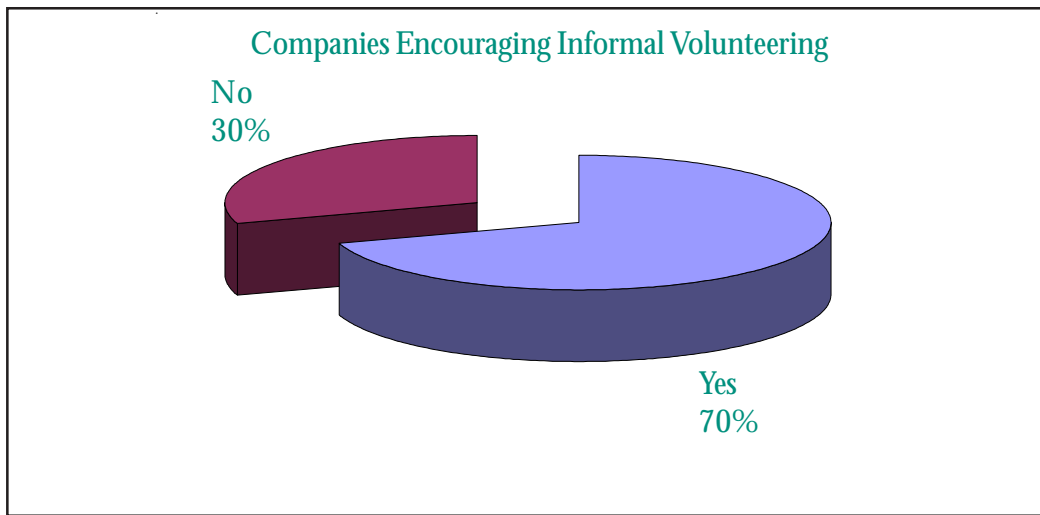
9. Does your company have a formal Employee Volunteer Program?

Companies with a formal Employee Volunteer Program



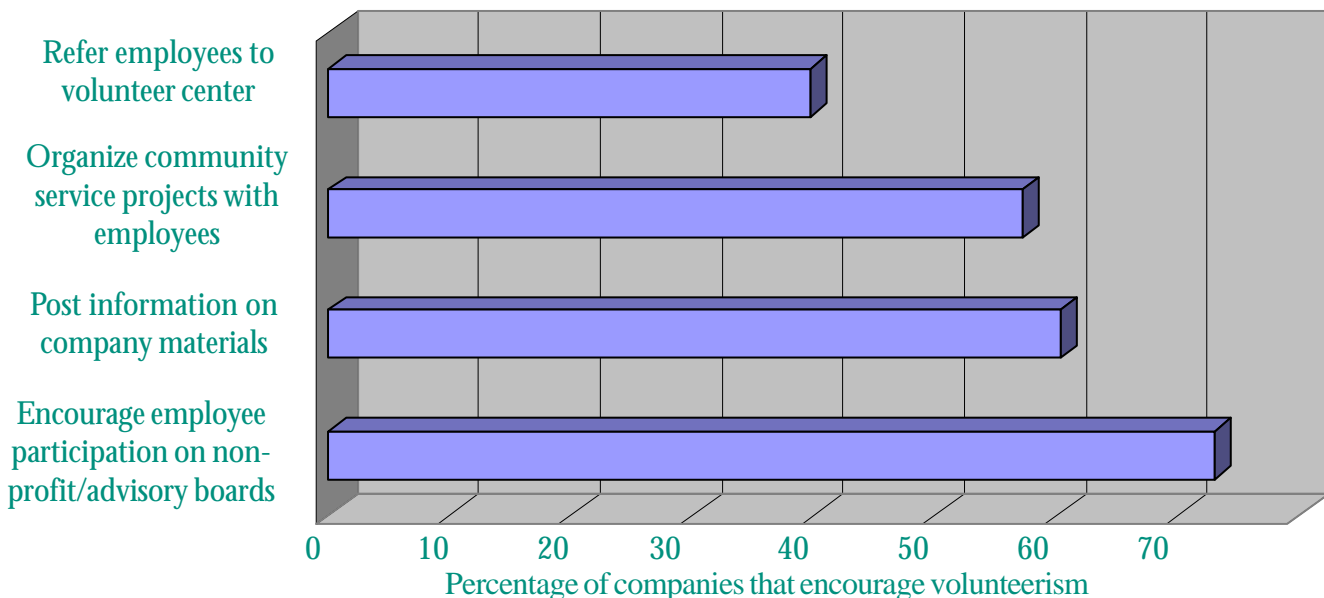
Thirteen percent of the companies participating in the survey have a formal Employee Volunteer Program. Even though the larger companies usually implement formal employee volunteer programs, some small to medium-sized companies have incorporated formal programs into their business practices.

10. Does your company encourage informal volunteering by your employees?



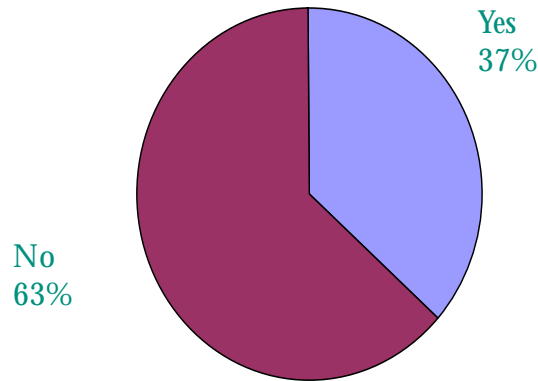
Seventy percent of responding companies actively encourage informal volunteering by employees. Of those companies, more than 70 percent motivate their employees to participate or serve on nonprofit or advisory boards/committees. Nearly 60% post information on company bulletin boards, email lists, or newsletters about community volunteer opportunities. Sonoma County businesses also organize community service projects in which employees are invited to participate as well as refer interested employees to a local volunteer center.

How Companies Encourage Volunteerism



11. (a) Does your company use formal or informal employee volunteer programs as part of its overall strategy to address workforce development? (e.g., human resource development and retention, employee skill development, business development, etc.)

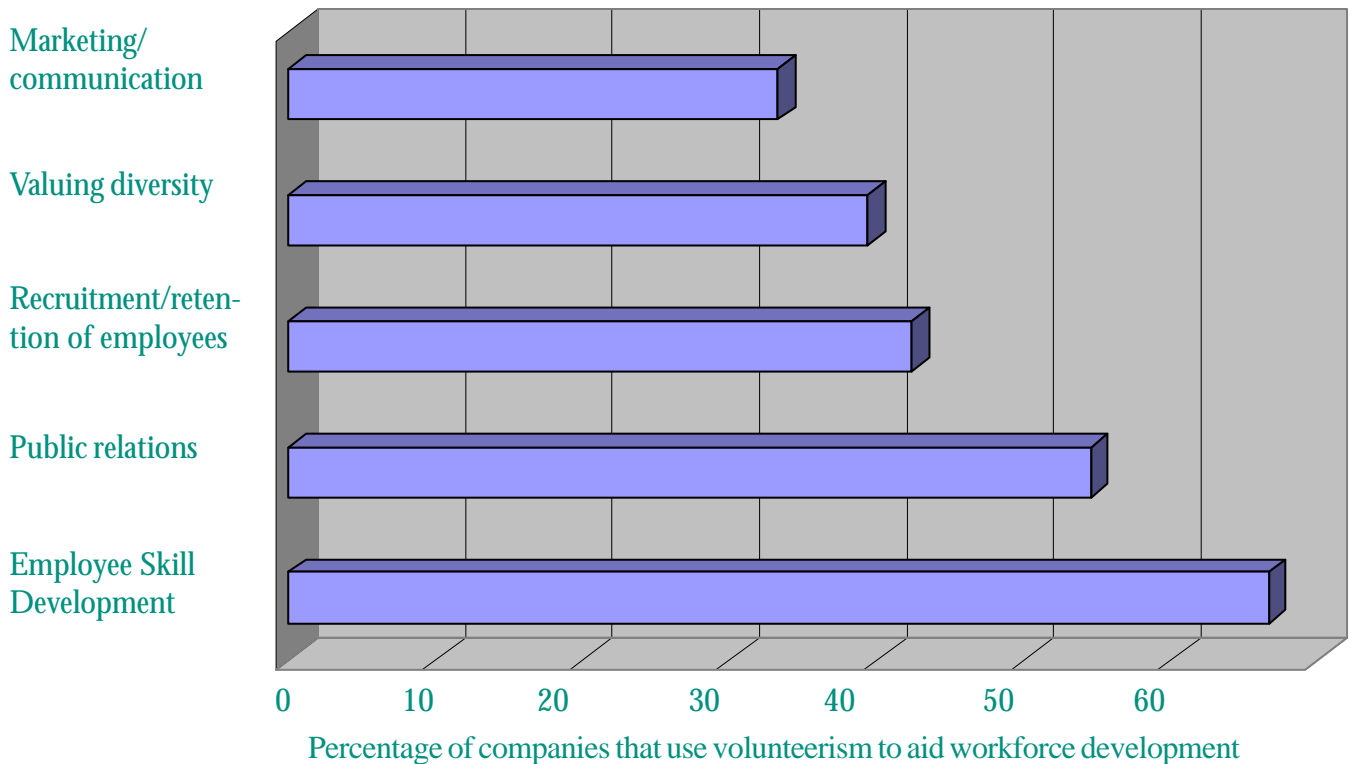
Thirty-seven percent of responding companies either use a formal or informal volunteer program as part of their overall strategy to address workforce development.



11. (b) What are the benefits of volunteerism on the workforce?

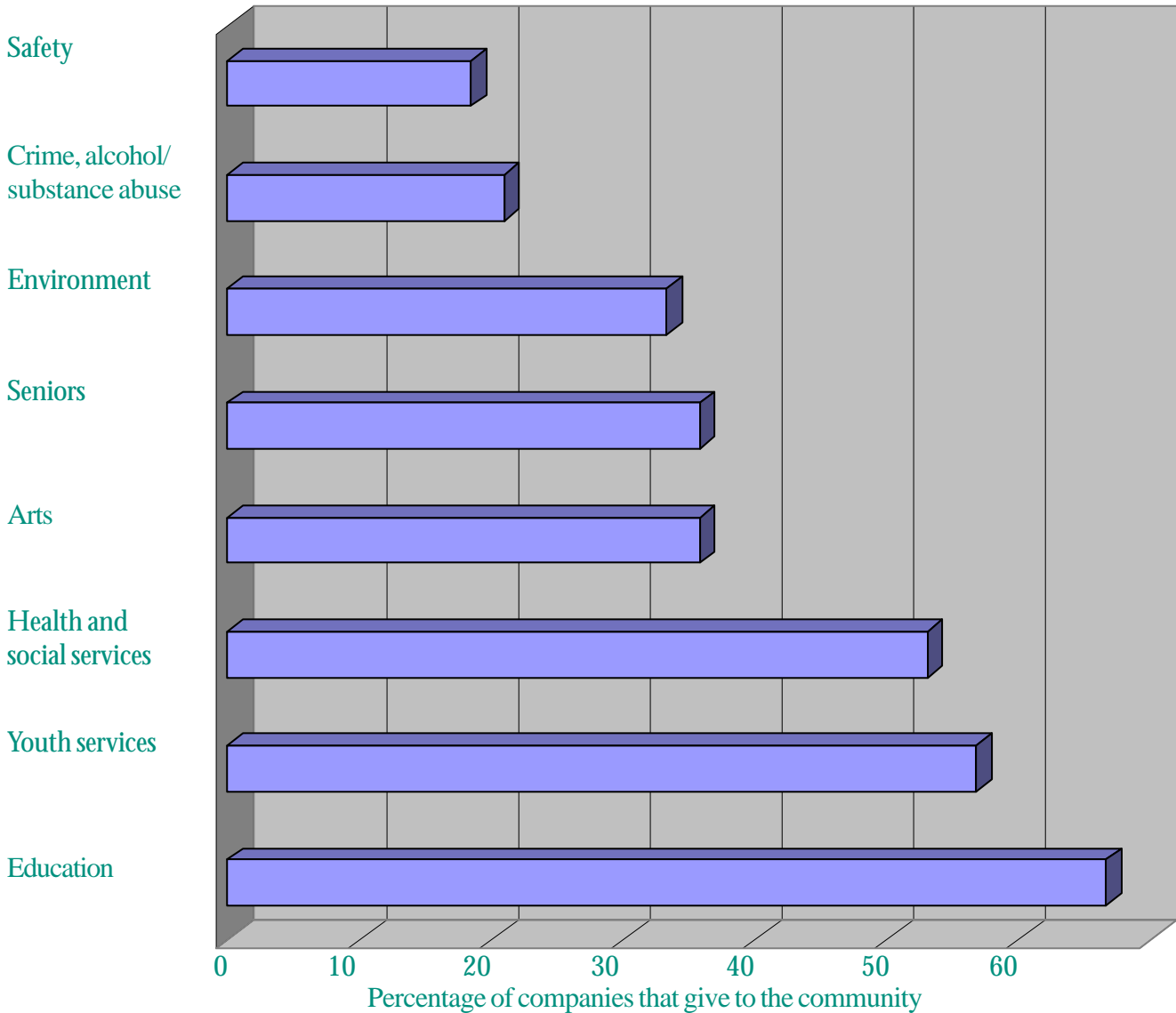
Of the companies that use employee volunteer programs as part of their overall workforce development strategy over 60 percent use volunteer programs to improve employee skill development. Over half of the companies that use a volunteer program as part of their overall strategy do so as part of a public relations campaign.

Benefits of Volunteerism on the Workforce



12. Which of the following does your company focus on for its community giving, volunteer involvement and/or philanthropy?

Company Focus for Community Giving



Nearly two-thirds of respondents focus on education for their company's community giving, volunteer involvement, and/or philanthropy. Other major philanthropic activities include involvement in youth services, health and social services, and the arts.

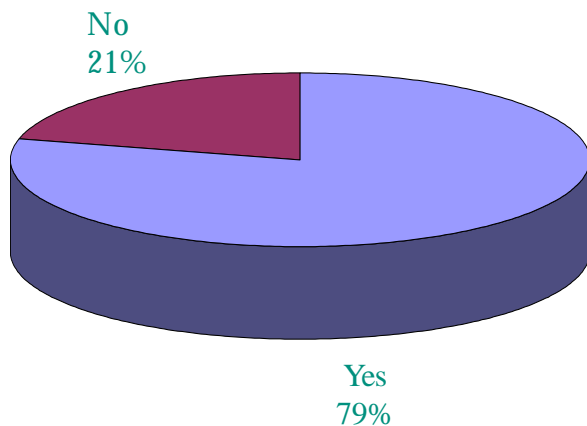
13. Which of the following does your company do to encourage volunteer programs?

Company Encouragement of Volunteer Programs

% of Positive Respondents	Activity
63%	Communicate volunteering opportunities
61%	Communicate benefits of employee volunteering
57%	Publicize volunteer program efforts
39%	Incorporate community service in the company's mission
36%	Financially match employee donations to nonprofit organizations

Many companies communicate volunteer opportunities and volunteer benefits to employees. A slightly smaller percentage of executives reported publicizing volunteer program efforts at the workplace.

14. Does your company donate in-kind items to nonprofit organizations? (e.g., computers, furniture, supplies, food, facility services, etc.)



Almost 80 percent of Sonoma County executives responding to the survey donate in-kind items to nonprofit organizations. Most businesses donate computer equipment and furniture when possible.

C. Methodology

The *Voluntary Workforce Development & Community Service Questionnaire* was developed after researching many programs and surveys with similar company benchmarking goals. The survey was formed in partnership with the United Way of Sonoma-Mendocino-Lake, Volunteer Center of Sonoma County, Community Foundation Sonoma County, Sonoma County Workforce Investment Board, and the Northern California Center for Well-Being. The voluntary survey helps firms to profile their progress and to see opportunities for further improvement. It retains the critical themes that are common to the majority of similar business programs, but has been tailored to fit Sonoma County's workforce and economy. The format of the report is based on the standard reports of the Sonoma County Economic Development Board.

The companies invited to take part in the Business Excellence survey are a composite of the Press Democrat "Top 300" businesses and companies, which include 21 leading sectors of the local economy. It is hoped that currently participating businesses and others will take part in consecutive years. This will allow them to review year-to-year performance, helping them to improve their programs.

The Sonoma County Economic Development Board does not claim that the information presented in this report is an accurate reflection of the excellence of every company in Sonoma County. In written surveys such as this one, the responding companies are often likely to be those businesses that are already practicing one or many forms of "Business Excellence." When reading this report, the Sonoma County Economic Development Board advises readers to consider this possibility.

Participating Companies and Organizations

Agilent Technologies	National Bank of the Redwoods
Air Monitor Corporation	Nelson Human Resource Solutions
Alcatel	Nu Forest Products, Inc.
Alvarado Street Bakery	PNI Corporation
American Ag Credit	Press Democrat
Bank of Petaluma	Ralph's Grocery
Becoming Independent	REACH Air Medical Services
Benziger Winery	Redwood Credit Union
Betta Products, Inc.	Redwood Oil Co.
Blood Bank of the Redwoods	Redwood Regional Medical Group
Bodega Bay Lodge & Spa	Rheodyne LLC
Canine Companions for Independence	RHL Design Group
City of Rohnert Park	Ritz Food Service
City of Santa Rosa	Ryder Homes
Clover Stornetta Farms, Inc.	St. Joseph Health System
Cobblestone Homes	Santa Rosa Junior College
Community Child Care Council of Sonoma Co.	Schurter, Inc.
Community First Credit Union	Sheraton Sonoma County, Petaluma/RIM Hospitality
County of Sonoma	Silveira Pontiac/Buick/AMC
Dairymens Feed & Supply Co-Op	Sonoma & Glen Ellen Village Markets (2)
Doubletree Hotel	Sonoma Foods, Inc.
Fairmont Sonoma Mission Inn & Spa	Sonoma Index-Tribune
Fountaingrove Inn	Sonoma National Bank
Frank Howard Allen Realtors	Sonoma Valley Hospital
G & G Supermarket	Spectrum Organic Products, Inc.
Ghilotti Construction Company	Standard Structures, Inc.
Healdsburg District Hospital	State Farm Insurance
Healdsburg Lumber	Stress Education Center
J Vineyards & Winery	Summit State Bank
Icore International, Inc.	Thermal Technology, Inc.
Intuit Construction Business Solutions	Traditional Medicinals, Inc.
Kaiser Permanente	Turin Networks
Kendall-Jackson	Vineyard Creek Hotel
Lanahan & Reilley	Volunteer Center of Sonoma County
Legacy	Washington Mutual
Luther Burbank Savings	Wells Fargo Bank
Manzana Products Co., Inc.	Western Farm Center
Marmot Mountain Ltd.	Winzler & Kelly Consulting Engineers
Masterwork Electronics	World of Carpets/Carpet One
Matsen Insurance Brokers	Wright Contracting
McDevitt & McDevitt	Yardbirds
McPhail's, Inc. (2)	Xandex, Inc.
Mid-State Construction Corp.	

III. Acknowledgements

Many people contributed their valuable time and ideas to this project. Without the work of these individuals, this study would have been impossible to complete.

Most recognition goes to the companies that chose to participate in the Business Excellence survey. This display of commitment will play an important role in influencing and encouraging other Sonoma County companies to voluntarily embrace the challenges and reap the financial and quality-of-life rewards of business excellence.

Efren Carrillo, the 2003-2004 coordinator of this project, contributed a significant amount of time developing and writing this report and deserves special thanks. Scott Rosenblum, Katy Hutchinson, and Dee Stewart have all also helped edit this report.

Special thanks also needs to go to the community partners for this project. The Community Foundation Sonoma County, the Northern California Center for Well-Being, the United Way of Sonoma-Mendocino-Lake, Volunteer Center of Sonoma County, and the Sonoma County Workforce Investment Board have all spent time developing the survey, and we look forward to working with them as we develop this project further.



*Ben Stone, Executive Director
Sonoma County Economic Development Board
September 2004*

IV. Appendix: Best Practices Survey

VOLUNTARY WORKFORCE DEVELOPMENT & COMMUNITY SERVICE QUESTIONNAIRE

Notice of Confidentiality: Your participation in this survey of voluntary workforce and wellness practices is greatly appreciated. We respect your right to confidentiality, therefore, your company name and survey responses will not be released without prior consent.

Name and Position: _____

Company: _____

Number of Employees: _____

Note: This survey regards voluntary workforce and workplace practices only, not programs and policies required by law.

1. Does your company motivate employees through a reward system? (e.g., bonuses, recognition, special events, etc.)

Yes

No

If yes, please list: _____

2. Does your company encourage employee wellness? Yes No (If "yes", please check all that apply)

Provide information on wellness and/or disease prevention

Encourage employee involvement in their own wellness (e.g., walk/physical activity during break time)

Make available nutritious food in cafeteria, vending machines, or at company sponsored events

Offer discounts or reimburse employees for health club memberships

Other, please list: _____

3. Why does your company offer workplace health and wellness activities? (check all that apply)

To increase safety

To improve the health and well-being of our employees

To enhance productivity

To contain costs

To improve recruitment/retention

To reduce absenteeism

Other: _____

4. Does your company regularly participate in community health promotion or social service activities? (e.g., blood drives, run/walk-a-thon, United Way Day of Caring, clothing/food drives, etc.).

Yes

No

If yes, please list: _____

5. Does your company actively engage in employee training in the workplace? (e.g., In-house training, on-the-job training, educational institutions, external contracted training, etc.)

Yes

No

If yes, please list: _____

6. What was your company's approximate employee turnover rate for 2003?

0% - 33%

34% - 66%

67%-100%

7. Does your company provide child-care services such as on-site family child-care services, child-care information or reference services, financial assistance or day camp during the summer?

Yes

No

If yes, please describe: _____

8. Does your company participate in any of the following events? (check all that apply)

Volunteer Center - Human Race

United Way Day of Caring

United Way Workplace Campaign

Other: _____

9. Does your company provide release time for staff to participate in community service/involvement?

- Yes If yes, up to how many hours per year? 5 - 8 hrs 13 - 16 hrs 20+ hrs
 No 9 - 12 hrs 17 - 20 hrs

10. Does your company have a formal Employee Volunteer Program?

- Yes
 No

11. Does your company encourage informal volunteering by your employees? Yes No (If "yes", check all that apply)

- Referring interested employees to a local volunteer center
 Organizing community service projects in which employees are invited to participate
 Encouraging employee participation on nonprofit or advisory boards/committees
 Posting information on company bulletin boards, email lists, or newsletters about community volunteer opportunities
 Other _____

12. Does your company use formal or informal employee volunteer programs as part of its overall strategy to address workforce development? (e.g., human resource development and retention, employee skill development, business development, etc.)

- Yes (If "yes", check all that apply) Employee skill development Valuing diversity
 No Marketing/communication Public relations
 Recruitment/retention of employees Other

13. Which of the following does your company focus on for its community giving, volunteer involvement and/or philanthropy? (check all that apply)

- Education Environment Safety
 Health and social services Youth services Arts
 Seniors Crime, alcohol/substance abuse Other _____

14. Which of the following does your company do to encourage volunteer programs? (check all that apply)

- Incorporate community service in the company's mission statement
 Communicate to managers the benefits received as a result of employee volunteering
 Communicate to all employees about available volunteering opportunities
 Publicize volunteer program efforts to the community
 Financially match employee donations to nonprofit organizations
 Other: _____

15. Does your company donate in-kind items to nonprofit organizations? (i.e., computers, furniture, supplies, food, facility services, etc.)

- Yes
 No

If yes, please describe: _____

Industry Sector (check all that apply):

- High-Tech Accounting Lodging/Restaurant Non-profit/CBO/NGO Health care/Hospital
 Financial Services Manufacturing Winemaking Agriculture Government
 Law/Prof. Services Retail Education Construction Other: _____

Thank you! Please return this survey by **Friday, May 21, 2004** by fax to **(707) 565-7231** or by postal mail to:

Economic Development Board
410 College Ave., Suite D
Santa Rosa, CA 95401-5148