

# THE KRAFT FOODS STORY

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## Background:

Kraft Foods North America is the country's largest food business. Incentive Services has been partners with Kraft for several years now, managing a safety incentive program for their customer logistics fleet of professional drivers. Recently, Kraft decided to expand the program to include over 650 warehouse associates to the existing 1250-driver participant base. With this expansion, Kraft hoped to further reduce their company's critical safety measures, such as Lost Time Incidents, Preventable Vehicular Accidents, and Workers' Comp costs while increasing overall branch productivity.



Kraft also engaged Incentive Services to help develop customized training initiatives that would help reinforce behaviors that would ultimately help Kraft's bottom line results.

## Key Objectives:

- Continue to reduce Preventable Vehicular Accidents by Customer Logistic Team drivers, driving the cost of recordable incidents down.
- Include productivity measures as part of incentive program for branch locations.
- Include 650 warehouse associates to the program and identify new program initiatives that will help reduce Lost Time Injuries and Accidents.
- Develop training content that will help continually reinforce the culture of safety at Kraft Foods.

## Incentive Services Solution:

### Program Design:

- The Incentive Services team met with Kraft leadership to identify their objectives and then develop an implementation strategy for their safety incentive program.
- The system was designed as a point-based system that awards Kraft drivers and warehouse associates for reaching pre-defined goals.

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## Communications:

- To launch the program, Incentive Services utilized Kraft's "Making Safety Your Business" campaign.
- I.S. developed branch launch kits, which included participant rules brochures, program catalogs, and DVD-based program introduction videos. The video, produced by the I.S. media production group, was filmed at Kraft's local facility in Minneapolis, MN.
- Each quarter, participants receive customized performance statements detailing their quarterly earnings.

## Training:

- To compliment Kraft's existing Computer-Based Training, I.S. developed video training in DVD format for Safe Operations and Proper Backing Techniques. I.S. captured the training video footage at Kraft's local facility in Minneapolis, MN. I.S. packaged the training DVDs in customized DVD jewel cases, which included training manuals for group instructors.

## Technology:

- The program web site features a personalized account for each program participant. Participants can view program rules and frequently asked questions, view the program video, browse for rewards and redeem online 24/7.

## Analysis & Results:

- Kraft's year-end results were extremely positive. Kraft's Customer Logistics Group posted a 43% improvement in the number of Lost Time Incidents, resulting in a 50% decrease in days lost.
- Kraft's recordable incident rate improved by 21% versus the previous year. Since program inception, Kraft's Customer Logistics fleet has posted a 35% improvement in incident frequency.
- Workers' Comp costs showed a 42% improvement in variable charge which resulted in an estimated savings of \$1.7 Million. This also results in a reduction of the base charge by over \$3.0 Million.

