



Impact Helps Major Manufacturer Improve Production and Engagement

THE CLIENT

A Fortune 100 company with locations around the world that has been in business for over 85 years. The client operates multiple manufacturing and logistics facilities, and is a prominent employer in the area. Economic conditions force a variable workforce of up to 40% of the client's total workforce. The client has struggled with high turnover among its temporary workforce. Impact conducted a thorough investigation to discover the causes and develop solutions to work through the client's challenges.

CHALLENGES

In addition to compiling its own data in working closely with the client regarding their variable workforce, the following were determined as challenges:

- Turnover: 67% average monthly turnover.
- Production: Due to the economic downturn, sales demands were uncertain and productivity was low.
- Employee engagement: Low morale. Maintaining a significant amount of the company's workers as variable employees on an indefinite basis was negatively affecting the company and resulting in poor retention."

SOLUTIONS

The client's last resort was to hire full-time regular, however, their employment strategy didn't allow for the cost. They turned to Impact Outsourcing as a full-time Core2 outsourced labor strategy. Together, Impact and the client implemented Impact's Core2 program designed for companies relying on a long-term outsourced workforce. Core2 provided the client with the opportunity to offer outsourced workers stability, benefits, and career pathing as employees of Impact. Through Core2, Impact was also able to improve the client's retention as well as enhance the quality of life for the outsourced labor.

OUTCOME

The client ran a Six Sigma project for Core2 for the first six months which quantified training & turnover cost at \$2,800 per employee

- During the first year of Core2:
 - o Turnover decreased from 67% to 9% in the Core2 population
 - o Training and turnover savings totaled \$800,000.
 - o The hard cost avoidance was \$192,000 (full time core vs. Core2)
- Productivity increased in the Core2 population
- "Temp" population turnover decreased and productivity increased
- Client established additional Core2 programs in four (4) facilities and is exploring Core2 for additional facilities.

FROM THE CLIENT

"Over the past year, Impact Performance Group has worked with our facility's leadership team to improve recruiting and increase retention for our short- and long-term variable workforce. Impact Performance Group accomplished this by taking the time to uncover the underlying reasons for our variable workforce challenges and implement solutions that were tailored to our needs as a logistics and manufacturing facility. Our outsourcing program, Core2, has allowed our facility to maintain the staffing flexibility we require while caring for our Core2 workers by providing them with stability and quality benefits. With Core2, we have increased our workforce retention, and our workers are more productive and engaged. It has been a win-win for everyone involved; us, the employees and the staffing providers."

-Facility Manager,
Fortune 100 Company

"I appreciate the way iPG strives for continuous improvement. They have served as a vital part of our Six Sigma project regarding employee engagement, on-boarding, and the cost of turnover. iPG's relationship with our facility is unique and inclusive, as they have intentionally learned and invested in our organizational goals by working purposefully to support our initiatives through their actions. We have a true partnership with iPG based on trust and our mutual desire to support the success of our workforce while focusing on aligning with our strategic imperatives."

-Black Belt & EOS Coordinator,
Fortune 100 Company