

PALMER-DONAVIN MANUFACTURING

INSPIRED BY ULTI PRO LEADERSHIP ACTIONS TO DEVELOP TAILORED ACTIVITIES TO CUT TURNOVER



INDUSTRY

Wholesale Trade



NUMBER OF EMPLOYEES

520



KEY BENEFITS

- UltiPro's predictive analytics enabled company to create report of high retention risk/top performers warranting special attention from managers
- UltiPro Leadership Actions inspired company to develop activities tailored to engage and retain key talent
- Company has cut new-hire turnover by more than 50% from previous year and lowered overall company turnover to below half the national industry average

“ UltiPro alerts have enabled us to monitor manager compliance with our Leadership Actions and made a huge difference in our ability to control turnover and boost our bottom line. ”

Shawn Richard
Vice President of Human Resources
Palmer-Donavin

OVERVIEW

Palmer-Donavin is one of the leading wholesale distributors of residential building materials in the Midwest. The company's eight locations provide its clients with manufacturer-direct inventory and a high level of customer service.

CHALLENGE

An Ultimate customer since 2012, Palmer-Donavin transformed the employee experience with improvements such as a streamlined performance review process, and by providing employees with mobile access to their HR information—a valuable tool for the company's many warehouse and production-floor workers.

In 2015, the company began experiencing significant turnover due to the impact of an improving economy. Palmer-Donavin's turnover rate rose from 20% to 45%, and remained at this national industry average through 2017.

“Turnover is costly to Palmer-Donavin because we invest a great deal of time and money in our employee training,” said Shawn Richard, vice president of human resources at Palmer-Donavin. “Our blue-collar employees do jobs that require a significant degree of knowledge and experience. Because of the length of our learning curve, our turnover metrics correlate strongly with issues such as damage to materials, lower customer satisfaction, and missed deliveries. All our key performance indicators move in the same

direction as our rate of turnover.”

SOLUTION

“We launched the UltiPro Retention Predictor™ in 2015 and were immediately able to forecast an employee’s intent to leave Palmer-Donavin within the next 12 months,” said Richard. “We also deployed the UltiPro High Performer Predictor™, which quantifies the likelihood of an employee becoming a high performer. By combining these two reports, we were able to create our ‘snuggle list,’ our group of high retention risk and high performers who warrant special attention from their managers. I believe that predictive analytics should be regarded not as an HR tool, but as a management tool. By sharing this information with our managers, we are able to take action to decrease costs spent on replacing key employees and proactively address an employee’s success and retention.”

Richard reports that UltiPro’s Leadership Actions—a library of suggested activities to help managers coach and engage employees—inspired him to develop his own best-practice actions to engage and retain key talent.

“We have taken the suggestions from UltiPro and tailored the actions and language to align with our company’s culture and workforce demographics,” said Richard. “For example, to tackle new-hire turnover, we created our own 30- and 60-day stay interviews that ask about the adequacy of our training and whether the employee has any concerns about the job.”

According to Richard, a key component of Palmer-Donavin’s Leadership Actions is ensuring accountability among managers to complete the tasks. Richard set up an automatic email notification through UltiPro Business Intelligence to alert himself and the hiring manager if the stay interviews are not conducted on time.

“Prompting is critical to retention activities and part of manager training,” said Richard. “Strict accountability to our Leadership Actions program

also enforces a consistent approach to the way we coach our managers and ensures that our procedures are applied equally across the company.”

RESULTS

“The reminders from UltiPro to complete Leadership Actions have made a significant difference,” said Richard. “With our Leadership Actions being completed promptly and universally, we’ve been able to cut our new-hire turnover by more than 50% from last year. Regarding our overall turnover, we’ve pushed it under 20%, a level not only below our historic low, but also less than half the national average for our industry.”

Richard notes that he learned from Ultimate that success with Leadership Actions is tied directly to how frequently and recently the activity is completed.

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