

## PFSbrands

**Location:** Machesney Park, IL

**2017 Revenues:** \$69.6 million

**Employees:** 269

**The Critical Number™:** Net Income

## Playing the Game

### Results

In 2012, the team's first full year playing the game, the top line improved by 19% and the bottom line by 73%. In 2013, the bottom line improved by over 100%. Expense control improved immediately as every general ledger code was assigned to an employee and the financial statements were shared. Every employee-owner is now knowledgeable about the income statement, balance sheet and cash flows.

By creating a profit distribution plan and creating line of sight for all individuals, the team dramatically improved its profitability and cash flow—while also learning what will drive the value of their ESOP shares into the future.

Playing the Great Game has also had a phenomenal impact on the culture at PFSbrands, which has been nationally recognized as a Great Place to Work in 2015, 2016 and 2017.

***"The Great Game of Business has been instrumental in preparing our team for business growth and success. By creating a culture of open-book management and in-depth P&L understanding we have tapped into the power of the collective team. It has put all our team members on the same page and inspires a unique perspective on how to make an impact on each level and job role within our company."***

***– Andy Griffith, Business Advisor***



### Company Background

PFSbrands, which was founded in 1998, provides turnkey, branded hot-food programs to more than 1,300 grocery stores and convenience stores across 38 states. The company sells to 70 different wholesale distribution facilities across the United States. These wholesalers ship a full product line sold under the PFSbrands, Champs Chicken, Cooper's Express, and BluTaco labels.

### Challenge

The company's top line was growing fast—but the bottom line was falling behind. With the company planning to transition to an ESOP in 2017, the leadership team wanted a way to help bring all the soon-to-be employee-owners together on the same page.

### Solution

Drive accountability throughout the business by using financial literacy training, huddles, and MiniGames to educate employees about the key factors that drive the value of their business.

## MiniGame™ Spotlight

The PFSbrands team has played a variety of MiniGames throughout the different departments in its organization. In 2017, health education and cross-training were the focus of many of those MiniGames—which have helped enhance the spirit of teamwork, increased team productivity, reduced healthcare costs, inspired performance, and provided a greater understanding of the organization.

The focus on health education has helped keep the company's health insurance premium stable (no increase in premiums) for the past couple of years as well—an accomplishment that can't be understated these days.

*“Although PFSbrands sells products, what we really sell is an entire company ‘culture’ with its many departments that provide support for our customers to be more successful.”*

*Brian Harding, Key Account Manager*

## What's Next?

One of the focuses in the coming year will be to continue educating the employee-owners at PFSbrands about the factors that will impact the value of their ESOP—particularly over the long term. When the company, revealed its first stock price earlier this year, for example, Burcham says it was an eye-opening experience for everyone—including his senior leadership team. Case in point: the company sponsored a game where employee-owners could guess what the stock price would be: no one came close—their estimates were all too low. The PFSbrands stock value increased by 488%. “We have been a growth-oriented company since we started and we continue to educate our employee-owners that we need produce to create this kind of stock growth,” says Burcham.

The team also kicked off its High-Involvement Planning™ (HIP) in earnest last year—and Burcham™ is hoping to take up their gameplay another notch this coming year. “I’m excited to see where these co-owners take our business,” says Burcham.

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*“From a manager’s perspective, open-book management is a huge benefit in that members of your team have seen the numbers and understand how the company is positioned at that point in time. People are self-motivated because of this understanding and take ownership of their roles in affecting the numbers.” – John Bleidistel, Director of Technology*