



# 1998 Award Winner

## CARGILL— HoneySuckle White



Cargill, Inc., located in California, Missouri, produces whole bird turkeys under the brand name HoneySuckle White, which is Cargill's premium brand. Cargill is the largest privately held corporation in the United States with total sales in 1998 at \$51 billion. The California complex, which employs 600 people, is one of four locations that produces HoneySuckle White turkey. In 1998, the California complex will pack more than 10 million turkeys for sale. Independent contract producer payments will exceed \$13 million and local grain purchases will exceed \$24 million.

Ralston Purina built the California complex in 1963, and Cargill purchased the complex in 1975. The complex is a vertically integrated operation including 12 breeder farms, a hatchery, feed mill, 195 independent contract growout farms, and a 120,000 square foot processing plant. The producer's farms are located in a nine-county area in central Missouri.



Cargill began its quality journey in 1988 when it embraced the Phillip Crosby Quality Improvement Process. The ideas of "doing it right the first time" and "continuous improvement" began to evolve into Cargill's culture with the adoption of Crosby's program.

Cargill has been successful in growing its businesses through its vision — to raise living standards around the world by delivering increased value to producers and consumers. Cargill's basic beliefs are the cornerstone of relationships it builds with customers, suppliers, business associates, shareholders, and the communities in which it does business. These beliefs encompass:

**INTEGRITY**— Our word is our bond.

**EXCELLENCE**— Making Cargill the best at whatever it does.

**GROWTH**— Creating opportunities for individual and our business.

**TEAMWORK**— Pooling individual knowledge and skills through effective communication to build shared success.

**LONG-TERM PERSPECTIVE**— Having the patience and foresight to build sustainable business for the long haul.

**DESIRE TO COMPETE**— Seeking to win in an open, level playing field.

The senior management from all three turkey operations originally met in Pecos River, New Mexico to build a framework for values and principles to guide Cargill's future actions.

That meeting resulted in Cargill's vision which is:

#### TOGETHER WE SUCCEED

- Accepting accountability and responsibility for all our actions.
- Admitting mistakes without fear, sharing and learning from them.
- Supporting decisions, directions, and each other.
- Communicating openly and honestly.
- Understanding and appreciating each other's jobs.
- Focusing on fixing the problems, not on placing blame.
- Celebrating our accomplishments, large and small.
- Soliciting input from each other.
- Praising in public and reprimanding in private.
- "Playing to Win" by going as far as we can with all that we have.

To support the accomplishment of its vision, Cargill has developed a balanced scorecard to identify the key business drivers that are key to the success of the turkey operation. The majority of the business drivers are reported weekly and compared with stretch goals. Stretch goals are developed using past history

and top industry performance. The variance to goal is dollarized to highlight the profit and loss effect of exceeding or not meeting key business drivers. The balanced scorecard is distributed weekly to supervisors and managers, and key results for each department are posted for production employees and communicated monthly in employee meetings.

The key business drivers on the balanced scorecard are incorporated into a pay for performance system for middle managers, supervisors, and production employees. Examples of what impacts the pay for performance are things such as pre-baste yield, "A" Grade percentage, attendance, and safety. Employees can earn a percentage of their gross wages each quarter depending on what degree and how many goals are reached. The program has been improved to allow natural employee teams to set goals and track results as opposed to management dictating the goals to be attained.

As Cargill continues its quality journey, its focus still remains on continuous improvement. The plant celebrated its 35th anniversary this year and is continually working to understand and meet both current and future customer needs.

"Although we have received the Missouri Quality Award, our improvements won't stop now," said complex manager Kevin Kniefel. "Our vision for the future is to become the most responsive turkey company. In order to do that, we have to keep meeting the expectations of all our stakeholders."

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