



Dreyer's Grand Ice Cream, Inc.

"GROOVES"

The Dreyer's Philosophy





THE I CAN MAKE A DIFFERENCE PHILOSOPHY

At Dreyer's Grand Ice Cream, we believe in the individual. We know that most people today relish their own uniqueness and want to be respected for their distinct characteristics, skills, strengths, weaknesses, and idiosyncrasies.

We believe that if we hire good people and respect them as individuals, they will commit both their unique perspectives and their enthusiastic involvement to the goals we are striving to achieve together here at Dreyer's. We seek individuals who want to enter into a **relationship** with our company, not just take a job. In return for committing their energy and enthusiasm to their jobs and identifying personally with the company's goals and challenges, we understand that employees expect that company to value and respect their hearts and souls as well as their minds and bodies.

We also know that people today want to be trusted. Trivial rules, procedures, or policies

that imply individuals cannot be trusted to do the right thing on their own used to be standard in the workplace. Today most employees consider them an insult. People want their company to *assume* that they will come to work on time, work hard, and contribute to the cause each day without needing stop watches, regulations, forms, or rigid policies and procedures to ensure this behavior. The days when employees were blindly willing to do what they were told and follow their bosses' instructions and their company's policies without question are gone forever. Today, most people want a voice in how their work environment functions, and want to contribute to as many decisions affecting their life on the job as possible.

At Dreyer's Grand Ice Cream, we have always acknowledged and encouraged individual initiative and decision-making to the maximum extent practicable. We believe that only by truly empowering our people can we sustain their enthusiasm and personal satisfaction over time.

This set of beliefs underlies our "**I** Can Make a Difference" philosophy and are at the core of everything we do here.

We express our "**I** Can Make a Difference" philosophy in ten tenets or "Grooves" by which we all try to live in our daily interactions with one another. Our Grooves are our corporate culture, our values, and "the way we do things around here." We believe that if people understand this basic philosophy and "get in the Grooves," we don't need many policies, rules, or procedure manuals. Empowered individuals can simply use their own good judgment to arrive at appropriate decisions on their own. In other words, our Grooves create a work environment where each individual is empowered, involved, and encouraged (indeed *expected*) to truly "make a difference" in our success as a company.

MANAGEMENT IS PEOPLE

We believe that people are the most important resource at Dreyer's. Therefore, people issues are the **primary** responsibility of our managers, supervisors, and self-managed teams. We expect them to hire, train, inspire, develop, coach, and discipline each person in his or her department, as well as foster an environment that encourages behavior consistent with the Grooves. Unlike many companies, we

don't relegate these responsibilities to a centralized human resources or legal department. Our managers know their employees and situations best, they make the people-related decisions in their departments and they live with the consequences. Our People Support and Legal teams exist to support employees and managers by providing information, resources, training, and guidance to assist in their decision-making but not to dilute the local responsibility for those decisions.

HIRE SMART

The most important thing we do in this company is deciding who should be on our team. If we hire smart, we will have well-qualified, highly-motivated people who are a good fit for both our business challenges and our culture. In this case, we can simply get out of their way and let them succeed! Conversely, if we don't hire smart, we will spend interminable hours dealing with the consequences. (We call this "managing tough," and it's no fun.) Accordingly, we invest a great deal of time and care in the selection process to ensure we hire only the very best people possible. Everyone invited to join Dreyer's

Grand Ice Cream in any position should be in the top twenty percent of all qualified candidates for that position—including candidates from both inside and outside the company. Being a "top twenty percenter" is a high standard to maintain, and all Dreyer's employees are held accountable for continuing performance at that level. Hire Smart also means that when someone fails to maintain the standard, we need to be tough-minded in dealing with the situation. The way that we "eliminate mediocrity" is first through coaching and development aimed at eliminating the problem. If our best efforts to get an employee back to the level of a "top twenty percenter" in all areas of performance are unsuccessful, then we must make the decision to terminate the relationship. Obviously, we always try to accomplish this in a sensitive, respectful, and appropriate manner.

RESPECT FOR THE INDIVIDUAL

Respect for the individual is the underlying philosophy running throughout every single Groove. If we consistently hire smart and are tough-minded about eliminating mediocrity, we will have responsible, competent, energetic, self-motivated people working for us through-

out our company. People like this don't need to be motivated, they need to be **liberated**. Therefore, we respect our people's ideas, perspectives, and abilities by trusting them to do their jobs their way and without unnecessary rules, structure, or controls. Our job is to hire good people, inculcate our values, provide appropriate training, and then "let them do their thing."

Experience has shown that people will generally validate whatever their employer expects of them. If we assume people are honest and want to do a good job, they usually will. Conversely, if we do what most companies do, which is to assume people are not trustworthy, can't make good decisions, and will cut corners at every opportunity, then that is the behavior that will result. Although this is a very powerful concept, it doesn't work 100% of the time. A few people will invariably abuse this trusting, open approach, but the vast majority will respect it for what it is and thrive under it. Our approach is to say, "we trust you" to **all** of the people who work here and to use the concept of weeding out mediocrity to deal with the few who abuse that trust. We have found the benefits of this approach

vastly outweigh the risks. If we give people the freedom to do their jobs their way, they will develop ownership and pride and make the greatest contribution they possibly can. Our approach is to create the vision, engender enthusiasm for the task at hand, and then trust our people to do the right thing.

PEOPLE INVOLVEMENT

People Involvement means just that—allowing people to get involved in our business in a broader way than just doing their specific job or function. As a fast-growing company in a rapidly changing industry, we face a myriad of new challenges, problems, and opportunities every day. Our chances of successfully responding to all of this change is increased if we can harness the thinking, ideas, and energy of a wide cross section of people. Furthermore, if we allow people at all levels to participate and get involved in new aspects of our business, then they will grow as individuals and feel better about the contribution they are making. When this happens, they will inevitably experience greater levels of productivity and satisfaction.

There are many ways to involve people in this Groove. Examples include cross training,

task forces, cross-functional project teams, involving peers in recruiting and interviewing prospective employees, and community support efforts on behalf of the company. Many of our departments or teams are organized in a team management system designed to increase involvement, responsibility, and accountability for their own work and development. One prerequisite condition for People Involvement is an open atmosphere of trust and respect. For people to truly feel involved, they must know that their input and ideas are valued as making a difference. People Involvement also means being aware of who is impacted by one's actions and decisions, and finding ways to involve and communicate with those people effectively.

OWNERSHIP

Each of us only goes around the track once in life, so we owe it to ourselves to enjoy the journey.

We think the best way for people to enjoy the part of their journey that involves working here at Dreyer's is to derive satisfaction by being the best we can be at what we do. Taking ownership means taking pride in being the

best at something. If you become "the best" at some aspect of your job, and are recognized as such by your co-workers, then you "own" it. If you go home with a smile on your face because you know you made a contribution others couldn't make as well, or because you are recognized by your co-workers as being really expert at some aspect of your job, then you have achieved Ownership. And Ownership is lots of fun! We **expect** everyone here at Dreyer's to "own" some aspect of his or her job. This is truly the essence of our "**I** Can Make A Difference" philosophy. It is important to understand that achieving Ownership is each employee's responsibility. Ownership is like respect in that it can't be given or demanded; it has to be earned. While each individual is responsible for achieving Ownership, it is essential that we all provide an environment where it can flourish.

HOOPLA

Hoopla is the celebration of ownership. Hoopla is simply acknowledging individual or team accomplishments of all kinds. Hoopla is one of our core values because we believe people deserve to be celebrated for their contributions.

Praise and recognition are the most powerful motivators. People love to be told they are doing a good job or that they are “the best” at something. Nothing reinforces success or enhances performance more than recognition from one’s peers or manager. Our people think they are great and there is no reason to disagree with them. We look for any opportunity to tell our people they did a good job—for both small and large accomplishments. People will always respond to honest, positive feedback with a desire to contribute even more. Hoopla is best when it is spontaneous, unpredictable, and intermittent. It’s the care and personalized recognition that counts in Hoopla, not the size of the plaque. While picnics and parties are a lot of fun, they are not Hoopla, unless individuals or groups are being recognized for specific accomplishments.

LEARN, LEARN, LEARN

If we have hired smart and, therefore, have highly qualified, motivated, and experienced people throughout the company, our only other prerequisite for success is ensuring these people get the information and learn the skills needed to be effective in their jobs. Learning

is an every day, never-ending process for all of us. Much like ownership, learning is not an optional activity. While it is the responsibility of the company to create an environment conducive to learning and development, each individual must seek ways within that environment to continually improve and update his or her capabilities. Learning opportunities are all around us and take many more shapes and forms than just traditional classroom training.

When people first join Dreyer’s Grand Ice Cream, they need to learn our Grooves, they need to understand our history and our traditions, and they need to know how we operate, what will be expected of them, and what they can expect from us. Beyond this fundamental orientation, they obviously need to learn the specifics of their particular job. Over a period of time, they then need to develop to greater and greater depths so that they can become experts and “own” their job. Having achieved that, good people will inevitably want to learn additional skills and new functions so that they can grow as individuals, become more broadly involved with the business, and progress in their career. The need for learning never ends for anyone.

FACE TO FACE COMMUNICATION

One of the most effective ways we learn and grow is by getting feedback on what we're doing well and what we need to improve. Good people *want* feedback. We believe that everyone at Dreyer's needs and deserves honest feedback on a regular basis. Furthermore, managers need to carefully listen and learn from what their people have to say or suggest on an ongoing basis. We want our people to care about our company and our business, and to become personally involved in it. Face to Face Communication helps give them the information they need to do just that. Face to Face Communication should be an open dialogue—a respectful two-way exchange of ideas and information. It demands more of each of us than many traditional, hierarchical approaches. Each individual at Dreyer's needs to know that he or she is *expected* to come forward with suggestions, ideas, questions, and concerns. It is equally important that we all have the skills and ability to handle conflict and *receive* feedback openly, as well. This kind of honest communication is often the catalyst for our greatest learning.

At Dreyer's we want to maintain an environment where anyone can talk to anyone else at any time about any subject without fear of political implications or reprisals. Although people have an obligation to keep their supervisor, manager, or team informed of their activities and opinions, we encourage them to also communicate honestly and openly with anyone else they wish at any level of the organization. Because this practice is often frowned upon in other companies, we have to constantly work to insure that, here at Dreyer's, open and honest communication is both an expectation and a right of every employee.

UPSIDE DOWN ORGANIZATION

Organization charts, including our own, are invariably drawn upside down. We all need to recognize that the people who are in the best position to impact the business on a day-to-day basis are the people on the "front lines" of the organization. Front liners include those who actually make our products, move them through the distribution system, and do the necessary accounting. The rest of us are here to make their jobs easier and to help them be more effective. The manager's or supervisor's

job is really that of a coach—creating the vision, aligning, energizing, and developing while allowing each individual the flexibility and autonomy to make his or her own decisions about the best way to get the job done. Oakland and management staffs exist to support our people in the field, not to control them. We believe that the person closest to an issue usually has the best perspective on it and can, therefore, usually make the best decision. Accordingly, we try to minimize the number of decisions made centrally to maximize the opportunity for our people to make decisions on the firing line in the way they think best. For this same reason, we try to minimize the number of policies we have here at Dreyer's. We think in terms of having proven practices as opposed to policies. Although we try to decentralize decision-making, there is no reason to constantly reinvent the wheel, and we should all seek to benefit from the collective wisdom of our past experience as reflected in these proven practices. Our proven practices are usually quite sound, but our managers can always choose to operate differently if they have good reason to do so.

READY, FIRE, AIM

One of our primary competitive advantages has always been that we are more flexible and can make decisions more quickly than most of our competitors. Here at Dreyer's, "we love change" because it usually works to our advantage.

As part of this philosophy, we want to encourage our people to learn by constantly trying new things and testing their ideas to see what actually works in practice. We call these tests "small starts." People will only experiment with small starts if they know it is okay to fail. We need to encourage "failing forward" by recognizing people for trying new things and pushing the envelope, even if they don't pan out. We have to remember that, like learning to ski, we aren't getting any better unless we are falling down from time to time.

Good ideas don't need to be perfect before we begin implementation. Whether a new product, a new manufacturing process, or a change in a distribution or sales technique, often we can learn most effectively by "readying" ourselves with appropriate planning, "firing" by trying out the new idea on a small scale or test basis, and then "aiming" as we learn from

our experience. Ready, Fire, Aim may sound somewhat risky, and does require that we are all willing to take "intelligent risks." But we believe it is a far better strategy than the "analysis paralysis" that so many companies suffer from today. As we continue to grow, we must maintain our bias for action, our agility and our ability to use change as our ally.

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