



Statement of the U.S. Chamber of Commerce

ON: "The Opioids Epidemic: Implications for America's Workplaces"

TO: THE HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE'S SUBCOMMITTEE ON HEALTH, EMPLOYMENT, LABOR AND PENSIONS AND SUBCOMMITTEE ON WOKRFORCE PROTECTIONS

DATE: February 15, 2018

The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. The Chamber is dedicated to promoting, protecting, and defending America's free enterprise system.

More than 96% of Chamber member companies have fewer than 100 employees, and many of the nation's largest companies are also active members. We are therefore cognizant not only of the challenges facing smaller businesses, but also those facing the business community at large.

Besides representing a cross-section of the American business community with respect to the number of employees, major classifications of American business—e.g., manufacturing, retailing, services, construction, wholesalers, and finance—are represented. The Chamber has membership in all 50 states.

The Chamber's international reach is substantial as well. We believe that global interdependence provides opportunities, not threats. In addition to the American Chambers of Commerce abroad, an increasing number of our members engage in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

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Submitted to
THE HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE’S
SUBCOMMITTEE ON HEALTH, EMPLOYMENT, LABOR AND PENSIONS
AND SUBCOMMITTEE ON WORKFORCE PROTECTIONS
on behalf of the
U.S. CHAMBER OF COMMERCE
By
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Ziegenfelder Company
Wheeling, West Virginia
February 15, 2018

Chairmen Walberg and Byrne, Ranking Members Takano and Sablan and distinguished members of the Subcommittees, thank you for inviting me to testify before you today about our company and our employees. I hope that my testimony and remarks will help provide a glimpse into our compassionate hiring practices and our company’s culture of dedication to our employees, their families and our communities. More importantly, I hope that by sharing our story I can provide a model for others to follow that will help make a dent in this terrible epidemic.

My name is Lisa Allen. I am the President and CEO of Ziegenfelder Company, a privately-held, family owned business located in Wheeling, West Virginia; we “make people smile with really cool treats” manufacturing twin pops and other frozen items. I am honored to speak with you today on behalf of the U.S. Chamber of Commerce. The U.S. Chamber of Commerce is the world’s largest business federation, representing the interests of more than three million businesses and organizations of every size, sector, and region. As you might know, more than 96 percent of the Chamber’s members are small businesses with 100 or fewer employees, and 70 percent of which have 10 or fewer employees. For 100+ years we were one of those businesses until 17 years ago.

Our Company's Background

Originally, the Ziegenfelder Company was a neighborhood candy store dating back to the 1860s just across the street from where we are today in Wheeling. The Ziegenfelder family expanded their business by entering the ice cream manufacturing world in 1922. My roots at Ziegenfelder run deep and date back to when my grandfather, Abe Lando, began working for the company after World War I. My grandfather, a sweet, kind, hard-working family man, had spent his young life in the coal mines and steel mills of our Ohio Valley area, devoted to my grandmother, my father and my aunt. Finding work then was difficult, yet thankfully the Ziegenfelder family saw potential in him.

My grandfather found a work-home at Ziegenfelder and began impacting the business with his sales and leadership skills, eventually earning the opportunity for ownership in the business. Several decades later, in the 1960s, my family fully purchased the company. They were excited about the opportunity; they put in long hours and invested all they had in the business, over and over, and over again. In those times and frankly still today, the dairy manufacturing business was very competitive. There were dairies everywhere up and down the Ohio River Valley selling ice cream and novelties to mom/pop grocery stores and restaurants throughout West Virginia and eastern Ohio. Naturally, (and not unlike today) larger companies with greater resources were better equipped to meet market needs faster, including buying machines to automate the work that my father and grandfather used to do by hand. My family invested where they could but businesses with far more resources and financial assets were able to invest in market share and equipment that could boost production.

Nearing bankruptcy during the struggling economy of the 1980's, Ziegenfelder developed the brand Budget Saver twin pops with the intent of servicing consumers in a difficult economy

with an affordable, great tasting product. One of the ways we differentiated our product came from an idea my mom had. She used to complain because my four brothers and sisters and I would bring our entire neighborhood into the house and open numerous boxes of popsicles at the same time because we each wanted a different flavor! She told my dad – “You should put a whole bunch of different flavored popsicles together in the same bag, saving space and craziness in my freezer!” Always a trusted advisor to my father, he followed her suggestion and Budget \$aver twin pops were born!

My father knew the chances of new brand entry into the grocery market was a long shot, yet he also knew that focusing on the consumer might be his competitive advantage. He developed a unique sugar blend, excellent flavor profiles and a see-through package; designed to retail at a very affordable price. And it did.

Soon the company sold its dairy lines and focused exclusively on these popsicles. By reducing the expenses associated with the dairy ingredients, and packaging the product in clear bags rather than traditional boxes, he began turning the financial outlook for the company around. Clear plastic bags that featured a rainbow assortment of pops, sold at an affordable price that customers and parents, like my mom, loved.

Since 2001, Ziegenfelder has averaged 12% year-over-year organic growth in a grocery category that has been flat to declining, making Budget \$aver products a steady market disrupter over time. We began supplying Budget \$aver brand pops to Walmart in 1992 when they had just 16 supercenters in Oklahoma, Arkansas, and Texas.¹ Other early retail customers included Giant Eagle, Shop’n Save, Dollar General, Food Lion, and HEB in Texas. Demand for our products has been supported by operational growth; we added production and storage facilities in Wheeling WV,

¹ <https://www.youtube.com/watch?v=hUmUUyzgkGU>

and purchased “similar use” facilities for our operation in Chino, CA and Denver, Colorado. Now with three manufacturing facilities operating 24 hours a day, 7 days a week producing water ice products for grocery retailers nationwide, we make nearly 2.5 million twin pops every 24 hours. Today, Budget Saver products can be found in grocery stores nationwide and in nearly every community across the country. Last year, we proudly placed over 40 million bags of pops into homes across America.

While we are proud of this growth operationally and financially, the source of my pride really comes from our team – we are a Tribe. We call ourselves a Tribe because we are individuals, families, and a community linked by our culture, and our bright, vivid vision. And let me be clear, our market and operational growth has been possible because of our awesome Tribe, which has grown from 65 to over 300 Tribe members across the country. We know our company success is because of our committed, caring, hardworking Tribe. With our Vivid Vision of “growing together, revolutionizing our company, and bringing smiles to every home in America” and our mission to “make people smile with really cool,” we know we are serving our consumers and evolving our diverse Tribe and our caring culture in unique ways. Our business continues to expand and our Tribe continues to grow as we continue to bring our twin pops to every home in America.

One of our competitive advantages has always been our low-cost business model, referred to as our Zieggy economy. Remembering our original mission of meeting the needs of all consumers for a low-cost frozen treat, we remain true to our mission. Low retail pricing begins with our own disciplined business practices and our commitment to the millions of consumers who are unable to afford expensive ice cream and other treats. Today, as in the past, Budget Saver products can be produced, sold, distributed, and placed on retail shelves for under \$2.00. That’s important to our consumers and to our Tribe.

Our Tribe & Our Commitment

to Workforce Diversity and Compassionate Hiring Practices

All members of our Zieggy Tribe benefit from committed, compassionate hiring practices, which were expanded several years ago and have facilitated our diverse open-minded tapestry of loyal, hardworking people committed to our vision and mission. Perhaps part of how we came to focus on these hiring practices developed as an outgrowth of our company's history and culture of commitment to our employees and our communities. Perhaps part of it developed as a result of where we are located and the impact of the national opioid epidemic on our particular communities. The truth is that it most directly developed out of realization following a chance conversation with a friend from the U.S. District Attorney's office: apparently, we had hired some of our Tribe from a local half-way house – individuals who were in the midst of rebuilding their lives.

Once we learned the backgrounds of many of our entry level employees, we chose to become receptive and intentional with specific populations such as re-entering citizens, veterans, and the homeless; all or none of whom could include recovering drug addicts. We have always wanted to hire people who are willing to commit to the company and reflect the commitment that we are making to them. People with many different experiences and backgrounds have been willing to commit to our company and we remain committed to them.

Anyone dedicated to living what we call our Zieggy Essentials is welcome to join our family. All you have to do is pledge to keep our TWINS principles in mind at all time. THINK Tribe first! WIN by always doing the right thing! INSPIRE each other! NURTURE our Zieggy Economy! SERVE others putting safety first! Our TWIN principles will produce a future brightened by inspiring people, creating smiles, and impacting lives.

Our Commitment to Our Tribe: How We Help Those in Trouble

In addition to our compassionate hiring practices, Ziegenfelder and our Tribe work hard to foster an emotionally and socially safe environment where our Tribe members have a place to recover and prosper. We feel validated by the fact that when our employees are in trouble, they come to many of us including our leaders and ask for help. When our Tribe is hurting, we're hurting too. As you know, the complexities of the "opioid epidemic" are far-reaching, eventually resulting in family and community disintegration, imprisonment, and/or death.

We've begun to develop loosely structured peer groups in our Tribe who recognize potential problems and work together to help each other. We work with local counselors, social service agencies, our medical community, law enforcement and Federal and local Parole Officers on a case-by-case basis working to help people get assistance. We've learned from and shared best practices with other businesses such as Butterball Farms in Grand Rapids, MI, who commits to re-entry initiatives and returning citizens. Butterball Farms has assisted us in searching for and developing wrap-around services for our Tribe. They have created a non-profit organization called THE SOURCE, in partnership with DHHR and other businesses in Grand Rapids to assist partner companies' employees with needed services and assistance. Navigating the networks of assistance - whether it be health care or health insurance, bill payments, educational needs for children, auto repair, counseling services or government assistance needs - can be challenging for just about anyone. These confidential services have proven to reduce absenteeism and turnover and increased trust and commitment to Butterball Farms and to Ziegenfelder in our early stages of success. These issues are complex, and much bigger than our little company, we know this. That is why we are open and continuously in search of ideas, resources, and best practices to improve our processes.

While we are compassionate and have open hearts, we are not foolish – we have employees and a business to run. We are grateful that the majority of our employees are also committed to protecting the business and each other. We are part of a close knit community where people look out for each other and many have known one another for a long time.

Roughly one-third of our workforce has been with us for 10 years or more. This portion of our Tribe is hard working and has never “been in trouble.” They are well trained and committed. Another third of our Tribe comes to us following what some would call a “checkered past.” Some of the Tribe members have made bad decisions in the past, but they come to work with us as they rebuild their lives and they succeed in staying on a positive, self-aware, and well-lived life. Then we have those people that seem to be in everybody’s workforce: people that may be in the middle of something not good, spiraling downward, but they haven’t gotten caught. We are committed to creating and maintaining a safe environment, one that is socially and emotionally safe – and trusting, where people feel safe being vulnerable and can grow. We hope that this environment and culture can help support and reward those of our Zieggy population who truly are in it to win it.

Stories from Our Tribe

One of our most valued Tribe members is Sonny Baxter. We have an amazing video about his story that we are honored to highlight on our website. As he says in this video, he has been home since August of 2015.² The day after he came home, he joined our Tribe. We didn’t know then what he has since shared with us, nor did we know then what more he would go on to achieve.

Turns out when he came home, it was following a ten year prison sentence that he served by spending seven years in federal prison and three years in state prison. When he was 16 years old he started to get into “different things” as he puts it and skipping school more and more. When he was

² <https://www.budgetsaver.com/employment/sonnys-story/106>

19 years old, he was arrested for possession of drugs with intent to distribute and sent to prison in the state of New Jersey. While he was serving his sentence, he trained to become an addiction counselor in the hopes of helping others. In his words, “I was part of the problem.” Now he is part of the solution. He said, “I was told a long time ago the things you learn are not yours to keep and I place that responsibility on myself.” What we know now is that he is headed to West Liberty University after earning his associate’s degree in software engineering from West Virginia Northern Community College. He is a full-time leader at our company and works as a Tech Support at Wheeling Jesuit University. He has a condo and a car and he uses his training to help other members of the Tribe who are in recovery and re-entering the workforce. He has been a huge asset to our culture, our Tribe, and our community. His story is one of success and there are many others.

Another story that not only exemplifies our workplace culture but also touches on the many elements of addiction is one involving theft and restitution. Opioid addiction becomes expensive; drug use often leads to criminal behavior. We know from the stories our Tribe members share that a lot of drug addicts, including those with a history of opioid misuse, end up in jail because of the criminal behavior that they engage in to support their addiction.

One early morning I came into the plant and saw three employees huddled around a video monitor. I asked them what was up. These three guys, who had a prior history of drug addiction and criminal activity, were talking and watching the video footage from the night-turn shift. They told me that an employee in our factory had her wallet stolen. I asked them how they thought we should handle the situation. It was their idea to go and speak with the individual on the monitor who took the wallet– employee to employee- as people who had walked that path in the past. When confronted by peers, the individual first denied and then admitted his actions. He apologized to the owner (a suggestion by the peers) gave the wallet back and remains a valued member of our tribe to

this day. However, had supervisors or managers confronted him, I truly believe the outcome would have been different – he would have been nervous, frightened, and defensive. I am not sure whether he would have been able to change his path. By creating a trusting environment – we were able to keep him employed, which is really the first step in cleaning up a life.

The story of another one of our Tribe members speaks to the value of employment and culture too. One of our Tribe members Tanner's past started out a lot like many people but devolved quickly with addiction. Tanner played varsity baseball in high school and graduated with good grades. He went to college on a baseball scholarship but, like many kids, he partied a little too much. He ended up quitting school, and got caught up in the spiral of addiction. He was sent to prison for two years for breaking and entering. While Tanner was in prison, his mother developed cancer and passed away - never seeing her son's abilities to put addiction in his past, to work hard, and to develop a meaningful live. After release and while in drug court, he met his fiancé – who had a difficult background as well. Tanner struggled to find a full time job. He was delivering pizzas and happened to deliver a pizza to our plant. The folks at the plant told him what a great steady job they had and told him to come work with us. Now, he is the highest level hourly employee that we have, and he and his fiancé have three children; he has developed leadership skills and has a bright future. Our Tribe saw in him someone who was looking to make a better future for himself and he has since helped many of our employees. One such Tribe member whom Tanner has helped is Charles.

Charles had an addiction problem in the past as well prior to working for us. Much like others, he got clean and he found us through friends of Tanner's. He began working for us while on parole. As a father with full-custody of his two-year-old daughter, he tried to steer clear of other addicts that might pull him back to that life. One of his parole stipulations was that he cannot see

his ex-girlfriend who was the mother of his child. Despite his every effort to steer clear and fulfill the terms of his parole, the mother of his child called him incessantly and hammered on him. He went and met her and was caught and sent back to jail for violating the terms of his parole. When Charles was sent back to prison, Tanner and his fiancé took Charles's son into their home with their three children. For Charles, two weeks turned into 30 days. We tried to stay in touch with Charles because he was our employee and he really had no one else. When he finally got a court appointed attorney, we contacted the attorney and offered to stand up at his hearing as a character witness. Our plant manager stood up for him at this hearing; he was released that day and continues to work for us now. Charles reunited with his two-year-old as a parent and a full-time employed caregiver.

There are so many stories of peer-to-peer support that I am not even aware of – but these are two that I am honored to share. In addition, we have conversations within our community and leverage these relationships to help our Tribe.

For example, Reynolds Memorial Hospital is a local regional hospital and the CEO Dr. David Hess is a friend of mine. He has people coming and going in and out of his hospital and Emergency Room due to drug use. He went to his board and implored that someone take the lead. What is step one? Getting people off of drugs. However, many places won't take people if they have drugs, including opioids, in their system. He has developed the "Break Through" program. He has a small staff of three employees, two nurses and an administrator who treat anywhere from two to ten patients per week inpatient for between two and four days. He and his small team monitor these patients very closely on an inpatient basis and help them manage the symptoms of withdrawal with medical protocol. They work with a medical management company who helps them stay current with medical trends. They help them through the physical trauma of

detoxing and withdrawal. Dr. Hess has told me that if any of our Tribe needs help, he will get the assistance they need – this is an example of our community partnership.

Unfortunately, we know this is a crisis and not all outcomes are successes. In fact, successes are often fleeting. Nearly one year ago, 25-year-old Trevor came to us clean from the Federal Prison system. Through our community relationships, Trevor’s Parole Officer recommended him to us. Trevor was a great asset to our company, working hard both at work and to stay clean... for about 10 months. We noticed changes in Trevor’s behaviors and confronted him multiple times. At one point Trevor, along with his beautiful 4-year-old son, sat in our plant manager’s office as they discussed his slippery slope of addiction and all that was at stake for Trevor. Efforts to assist Trevor through working with his PO, professional counseling services, and ongoing peer assistance were not enough to combat the evil draw of addiction and its overpowering effects. Trevor returned to the streets and quickly found himself locked up again.

Bottom line, we are not experts in this arena. We make popsicles. We do, however recognize our responsibility as a steward of our tribe and our community to do what we can to change the trajectory of this epidemic. It is a messy process, wrought with failures and heartbreak. Our efforts are likely not as process oriented or results driven as they could be. I wish we could devote more resources to defined solutions, and continue inching forward. Connecting the dots of care for these marginalized millions of people addicted to opioids is not easy, and there are more starfish on the shore than we could ever manage. In our little world, we are doing what we can with the hopes of making a difference in a life, one person at a time.

Our Culture Has Become Self-Perpetuating

Diversity is our strength and our competitive advantage. With open minds and open hearts, we recognize many people have capabilities and a need to be part of success and something bigger

than themselves. These could be our children, our friends, our neighbors, our co-workers; all the fabric of our community. People who have so much to contribute yet may have made decisions, changing the course of their lives.

Standing idle, often in judgement of others, and doing little but measuring statistics does not erase mistakes people have made. Even worse, it may perpetuate crime and other debilitating problems. We believe and have found that for many of our Tribe members, a job is the best antidote. And this belief has been affirmed over and over again by our Tribe members. Tanner Defilbaugh articulated it so well: “When you work somewhere like this it makes it easier to do the right things when you are working and you have a steady job and you have a purpose. If you’re just waning in the wind and you can’t get a job, you’re just gonna say to heck with it – I might as well do what I was doing and that’s how a lot of people end up doing the same thing all over again.”³

We recognize that there’s a huge opioid epidemic so what we have done is come together and figure out a solution to it versus continue to be or foster the problem. We have opened our doors to a certain extent to give people the opportunity to become better. It takes courage to stand up and make change. It takes courage to believe in the resiliency of the human spirit, and it *requires* courage to take the first step. We have and will continue to embrace the opportunity to demonstrate and reward this courage. Our results are not without failures. However, we learn from our failures and believe that the next person deserves our open minds and open hearts as much as the last individual.

Conclusion

³ <https://www.facebook.com/100DaysInAppalachia/videos/1727196020685199/>

I am proud of the company that my grandfather and dad invested in years ago and I am proud of the Tribe that continues to build our company today. It is an honor to be a part of such a tremendous group of people and humbling to think of some of the challenges they and other members of our community and nation have endured and overcome.

Their successes and our intentional and compassionate hiring practices have enabled us to share our story in many open forums, including this experience today. Ziegenfelder's Tribe's efforts have stretched into our community, generating renewed energy in our slowly recovering local economy. Working with leaders in education, business, medicine, local government, the U.S. Department of Justice, and the Board of Prisons, we are partnering to reach our community in unique ways. Drug addiction, including opioid addiction, and associated social problems have been smoldering for generations and it may take as long to win this battle. In our communities in Wheeling, Chino CA and Denver, CO and at the Ziegenfelder Company, we are working together to combat this enemy; one person, one family and one community at a time. Just like starfish on the beach, there are thousands of people that need help in our communities across this great nation, but to each person we are able to help, we make a difference. One by one we are making a difference.

Thank you for this opportunity to testify, and I look forward to your questions.