



Shared Work Programs

Joe Walsh

Iowa Workforce Development

Joe Bervid

Iowa Workforce Development

Vince Newendorp

Vermeer

The advertisement features a large, white, articulated robotic hand on the left side, holding a tablet. The tablet's screen is divided into a grid of small images showing various Vermeer construction equipment in use. To the right of the hand, the text 'POSITIONED FOR THE FUTURE' and 'ALIGNED FOR SUCCESS' is displayed in white, uppercase letters. Below this text is the Vermeer logo, which consists of the word 'Vermeer' in a bold, sans-serif font above a green and white stylized 'V' symbol. At the bottom right of the advertisement, the text 'Shared Work At Vermeer' is written in a large, bold, black font. The background is dark with a yellow gradient at the bottom.

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Ag & Industrial Equipment Manufacturer 1800 Employees in Pella, Iowa



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Employers' Perspective

Vermeer has used the shared work program four times since it began in 1991.

“We made a long-term investment for Vermeer Corporation and all stakeholders by keeping our employees working. By doing so, employees are more engaged in the business, are more loyal and willing to support what we are trying to do to be successful.”

Vince Newendorp

VP of Administration

April 2009



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Employers' Perspective

Pros

- Employee retention – prepared when economy improves – competitive edge
- Provides training opportunities
- Reinforces positive company values
- Enhances employee loyalty
- Long-term cost reduction
- Better for our communities



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Employers' Perspective

Cons

- Administration
 - Collecting employee data for IWD
 - Tracking / reporting of hours
- Can only work up to 32 hours
 - if 33 hours, no payment
- Only even hourly numbers worked
- Educating employees on how it works & when payments are received



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Short-Term Costs Layoff vs. Shared Work

- Layoff
 - Severance Cost
 - Full unemployment costs
 - Knowledge loss
 - Negative impact on community economy
 - “Survivor Syndrome” for those left working, (more to do, with less help to get it done)
- Shared Work
 - Full benefits on reduced hours



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Long-Term Cost / Value

- Rehiring costs after layoff when economy rebounds - i.e. engineer = 200% of salary
 - Recruitment
 - Relocation
 - Training
- Shared work = long-term value
 - Better cross-trained employees
 - Flexibility to increase hours as needed
 - Ready to rebound when the economy recovers



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Employees' Perspective

- Work/life balance
- More income than full unemployment
- Positive view of company – saving jobs rather than layoffs
- Would rather share in reduced hours than lose co-workers to layoff



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Employees' Perspective

- Able to keep full benefits
- No weekly filing of claims
- Time to get projects done at home
- Part-time weekend jobs
- Cross training/development opportunities



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Employees' Perspective

“It’s a huge relief not to have to look for a job right now. Keeping the benefits is a big deal. With a big drop in income, COBRA insurance wouldn’t be an option for a lot of people.”

Jay Leshen

Machining Specialist

April 2009



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Employees' Perspective

“It’s keeping a lot of families’ heads above water. A lot of families would go under financially without it. The stress levels are now about a code yellow – without shared work, it’d be a code red.”

Kevin Glesener

Chaplain

April 2009



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Business Accomplishments

- Retain our employees
- Knowledge increase
- Lean strategy improvements – continuation after Shared Work program
- Cross training
- Employee engagement
- Research & Development projects continued



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Ease of Administration

- Collected information from employee, and opened claim for them
- Used Time & Attendance system to record hours
- Reporting automated using Microsoft Access & Excel
- Excel file sent weekly (Tuesday)



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Ease of Filing Claims

- No individual filing required
- Connie Dykstra at IWD – phenomenal group to work with
- Great support from local IWD office



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Community Perspective

“I think it’s softened the effect of the recession on retail and service businesses in the area. Keeping employees on the payroll provides a sense of normalcy in the local economy.”

Karen Eischen, Pella Area
Development Corp Executive Director
April 2009



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What Did Vermeer Learn?

- Vermeer would make the same decision again!
- People are our greatest asset
- Hours matched customer demand
- Short-term costs vs. long-term investment
- Positioned to rebound in 2010 as the economy recovers



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