
HR MANDATE

Presented by Cidrerie Lacroix

— VERGER —

LACROIXTM
MC

— CIDRERIE —

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2020 HR SYMPOSIUM - Virtual

PREAMBLE

By participating in the 2020 HR Symposium, you are asked to put yourself in the shoes of human resources consultants. In order to make the experience meaningful, a company agreed to open its doors and share inside information with us. Like in any consultation mandate, we remind you that you are under an obligation to respect the privileged and confidential nature of the elements that may be shared with you by your clients. By entering this case study competition, you agree to behave professionally at all times and not to share or post any information to which you have access.

Specific comment for the HR Mandate case: Given the nature of the case and the specific situation of the mandate, it is strictly forbidden to contact the company or its employees (telephone, email, social media, visit onsite or other) to get information. This applies to everyone involved in the resolution of this case. You cannot approach the company for any sort of information or clarification.

THE CIDRERIE LACROIX

The history of Cidrerie Lacroix begins in 1879, when the Lacroix family settled on Lot 300, in the village of St-Joseph-du-Lac, to grow apples. Five generations later, the company is booming, as its products are distributed throughout Quebec. Over the years, Danielle and Pascal, founders and still partners, accompanied by their children and other members of the Lacroix family, have undertaken several actions in order to stand out in the market, in particular by starting cider production at the turn of the 2000s.

Cidrerie Lacroix's ciders were so successful that a major player in the distribution network approached them to help the company with market development and the distribution of their products. The quality of their produce, the potential of the industry, as well as the values that have supported every decision for generations within the Lacroix company, were the reason behind the interest of this partner. The preservation of family traditions and values was an important point for Danielle and Pascal when they accepted the proposed offer. They also made sure that the presented expansion strategy was aligned with the vision shared by their children, who will be called upon to take over the company in the years to come.

And so, since a partnership was signed in 2018 with Archibald Microbrasserie, ciders from Cidrerie Lacroix are now distributed in 2,000 groceries and convenience stores as well as 400 bars and restaurants in Quebec. Through this association, Cidrerie Lacroix is now a leader in the cider industry in Quebec and wishes to lead its growth in this province!

DEEP ROOTED VALUES

Cidrerie Lacroix's Values:

Family, Authenticity, Innovation, Quality, Dynamism

Mission of the Cider house:

Make cider accessible to all Quebecers and democratize this local beverage!

Vision:

To become the largest cider house in Quebec with a production of 25 000 hL by 2021.

Brand DNA:

Distinctive, Artisanal, Family Heritage, Authentic, Local (developed in Quebec), Luxurious (premium) but accessible, Quality, Colorful, Fun/Cool, Trendy

** The attached brand guide presents these elements in detail.

MASSIVE INVESTMENTS TO SUPPORT GROWTH

The signing of the partnership with such a major player has enabled an almost complete transformation of the infrastructure in order to ensure the new targeted production capacity and also, to secure a memorable experience for the growing number of visitors at the cider house, who are mostly young adults (18 to 45 years old). These visitors come to the site to pick apples, to discover ciders, to taste home cooked products or to participate in various events throughout the year.

The significant investments of this partner have recently made possible the building of a new cider house with state-of-the-art equipment, a brand new processing kitchen, a new shop, as well as a catering area. These advanced functions, in addition to the orchard, make Cidrerie Lacroix the place of choice for a unique brand experience, where we make every aspect of the product available to the public, from the apple to the can. It is also a place where the consumer can interact with the team and enjoy the many derivative products offered.

KEY PEOPLE

Pascal, President - Co Founder of the orchard. He oversees all agricultural and alcohol production operations.

Danielle, General Manager - Co Founder of the orchard. She oversees HR and takes care of various special projects.

Elisabeth, CPA, Finance and Performance Manager - She oversees the entire accounting process, ensures the financial performance of the company and manages the sourcing of the brand.

Gabrielle, Food and Experience Director (F&B) - She oversees all food processing activities as well as onsite operations. She also has expertise in alcoholic production and processing (cider).

Etienne, Manager of Commercial Activities - He oversees all product marketing activities, from the marketing plan to promotional tools as well as the relationship with the sales force.

Salif, Customer Experience Manager - (Reporting to Gabrielle) He coordinates the teams in place to ensure the proper operation of the site. He is in charge of hiring and managing the schedules of the restaurant and the shop teams.

Xavier, Executif Chef - (Reporting to Gabrielle) He oversees all catering kitchen operations. Development of menus, hiring, supply.

Michel, Orchard Manager - (Reporting to Pascal) He coordinates agricultural production operations and ensures the complete production cycle, from pruning apple trees to harvesting.

To hire, Cider house supervisor / Cidermaker - (Reporting to Pascal) He supervises and coordinates alcoholic production and processing operations.

A GROWTH WHICH BRINGS ITS SHARE OF CHANGES

Rapid changes bring their own set of challenges for the team in place, who's used to operating in ways well established over the years, often developed according to their individual preferences. In order to keep up with the new pace and to ensure the success of this transformation, many employees must learn to use new tools, software, and adapt to new processes and rigorous standards in planning and production.

As an example, in order to be able to adequately use the diversified range of new performance management tools and reports made available to them by Archibald Microbrewery, the IT equipment has been entirely renewed. Several processes previously carried out on paper are now automated or carried out on the computer.

In Elisabeth and Gabrielle's opinion, these changes are more than welcome and necessary. The automatization of certain processes, the use of more up-to-date technologies, in addition to the support, the advice and the many resources to which their partnership with Archibald gave them access to, offer them a glimpse at even greater opportunities. It also allows them to optimize the company's performance, and even one day they might be able to surpass their wildest goals. Although they understand their parents' desire to keep family traditions, they both believe that opportunities for modernization should not be refused in order to grow and promote the brand in an even larger and competitive market. They are deeply convinced that Cidrerie Lacroix must continue to evolve and modernize.

Proud to see their daughters motivated to take over the control of the company, Danielle and Pascal tend to make decisions that will support and ease the transition when they definitely pass the torch. Although they mostly support the recommendations made by their new partner, and they understand the full potential that their daughters see in it, they choose to continue doing certain things in their own way. They both think that some things don't need to change now, right before their retirement, and they choose not to modify some work methods that have already proven to be efficient.

Diversifying sometimes causes confusion amongst employees, who are not sure which guidelines to follow. Also, the differences of opinion between the leaders can sometimes fuel certain discussions or be irritating. As in any good family, however, everyone ends up agreeing, making concessions, and finding their peace.

The changes within the cider house, the new requirements in terms of skills and expertise, and the adjustments in schedule that were imposed on him led the Cidermaker, who's occupied this job for 8 years, to leave for another company.

Since he left, Pascal has taken over this position awaiting for a replacement. Not comfortable with new technologies and the use of computers for work, Pascal asked to obtain all procedures and forms on paper. Considering that he is the owner, and that the situation is temporary, his requests were granted. However, the management team wants the next person to take on this role to conform to the new ways of doing things.

RECRUITMENT

As mentioned, the implementation of these changes brings heartbreaking departures of staff who have been part of the "family" for many years. Some specialized roles had to be created or replaced. For certain job opportunities, such as Cidermaker, Orchard Manager, Executive Chef, the market is limited. The management team considers the salary argument to be one of their best assets but also fears it could lead to long-term inequities in the salary scale. They wonder what strategy to adopt for recruitment of these positions, and what elements should be considered to justify and distinguish their compensation strategies from one job function to another. The massive investments made on site to transform the customer visit into a whole experience means that several employees with completely different positions have to learn to work and live together.

Not only the specialized positions mentioned above, but also positions of all kinds such as cooks, farm workers, dishwashers, shop clerks, not to mention seasonal employees who are massively hired during high season periods (up to 60 people in high season). The objective of the organization is to prepare themselves for the eventual increase in their number of staff.

For seasonal positions, candidates can bring their CV directly to the cider house or send it by email. Individual interviews are conducted with each of the candidates by one of the managers. With the new facilities, however, more positions will need to be filled, and some of them with more specific requirements, including experience in cooking, catering and alcohol service. The cider house would like to make sure that it stands out both in terms of its overall recruitment and compensation strategy. Cidrierie Lacroix would like to position itself as the employer of choice, in order to arouse the interest of employees and ensure that they come back year after year.

The management team notes that the recruitment of a diverse workforce is getting easier and easier. The ongoing development of the cider house, the increasing awareness of the brand, the new facilities and the work environment are all factors that attract workers with a profile similar to that of the targeted clientele. The hiring process and integration of any new resource is done through the appointed managers, who make sure to follow the 9 steps prescribed in the process set up by the management team (See appendix).

In order to promote team spirit (or rather say "family"), and to thank employees for their hard work, cocktails are organized every Friday. A pint of cider or beer is offered free of charge to each employee. There are also other parties, especially at the start of the high season, as well as for Christmas, where gift bags worth up to \$150 are given to everyone.

Upon hiring, each employee also receives branded clothing, a backpack and a water bottle. They are also entitled to one bag of apples per week during the season, as well as discounts of up to 25% on the purchase of products in store. Permanent employees, with more than 3 months of continuous service, also receive a gift card of \$200 / year for the purchase of products. No collective insurance plan is offered. The cider house follows the recommendations of the Labor Standards Laws for all of its policies related to employment conditions, except for statutory holidays, where employees are granted two additional days of paid leave.

OPERATIONS MANAGEMENT

Although Danielle and Pascal retain full management rights and oversee their teams and daily activities, they have no other choice but to notice changes in the culture that are starting to emerge. Being used to a meticulous management of the activities, even though they often fell into "just in time" mode, the new processes imply a more planned and formal approach on both sides, leaving less room for improvised decisions. The use of new technologies also becomes much more important. They noticed, with the virtual meetings that were imposed during the COVID pandemic, that the tone had become more formal during meetings. They understand that this more 'corporate' management style is mandatory under these circumstances, but they wonder how to ensure, through all these changes and in spite of the increasingly bigger team, the sustainability of a 'family' culture.

Discussions with some of the employees show that they have a strong sense of commitment towards the Lacroix family and the company. They feel that they are part of a team and appreciate the dynamism and simplicity of the management group. They enjoy working for a company that is increasingly well known to the public and renowned in the industry. The work environment and the benefits offered are also appreciated. It may happen that some people find that the level of management is sometimes a bit too much "family", and in these cases, they feel either left out of decisions, or even caught up in discussions which do not concern them. They sometimes feel that management decisions can vary from one manager to another, which can be annoying. Another challenging aspect arises with the training, which varies depending on who is responsible for giving it.

In the last year, the leaders have implemented a new initiative. They hold a quarterly meeting with the permanent employees. During these meetings, each member of the management team presents content related to their respective department, current and upcoming changes, and share figures and information on the performance of the company. This is new in the history of the organization, since this information was not shared at all before. Pascal and Danielle trust their team who has undertaken this initiative.

MANDATE

- 1. Identify the success factors that need to be implemented to ensure an effective recruitment, loyalty and retention strategy of the workforce that stands out.**
- 2. Present your recommendations concerning the establishment of a total compensation strategy within the company.**
 - Which indicators should be taken into account and prioritized?
 - Which elements could help Cidrerie Lacroix to position itself as an employer of choice while respecting the financial limitations of a small business?
- 3. If you have any, make other recommendations that you think are relevant based on your research and observations. Show that you are the HR consultant team Cidrerie Lacroix should hire!**

APPENDIX



Site web/Website : cidrierielacroix.com

Facebook: Cidre Lacroix

CORPORATE PHILOSOPHY

Vision:

"To become THE destination to discover cider and experience the Lacroix brand."

Mission of the Cider house:

"Democratize cider and make it accessible everywhere in Quebec."

- Develop a tasting environment
- Strengthen the relationship between the orchard, nature and cider and to deepen the connection between these elements
- Educate the consumer on cider making via a cider house tour
- Develop and test innovations

Cidrie Lacroix wishes to maintain a work environment that promotes the personal and professional growth of all employees. All staff have a role to play in maintaining such a working environment. Supervisors also have a responsibility to lead in such a way that everyone is treated with respect. The company's activities are evolving rapidly, and several sectors are part of it: Agricultural production, Food processing, Alcoholic processing, Tourism, Catering and Retail. A large, varied and diverse team is necessary for the smooth running of operations.

All staff are responsible for:

- Facilitate collaboration and communication between them;
- Treat each other fairly, with dignity and respect;
- Promote harmony and teamwork in all their relationships;
- Strive to fully understand the performance standards that have been set, and communicate with each other to deepen that understanding;
- Encourage the growth and development of employees by helping them achieve their personal goals;
- Seek to avoid labor disputes and, if a conflict does arise, react fairly and quickly to resolve it;
- Recognize that employees can go through difficult times in their personal lives, and show them empathy, compassion and understanding.

COMMUNICATION TOOLS

To promote communication, various tools are made available to employees.

Teams: All permanent employees will have access to the Teams application, to communicate in real time with other employees.

Email: All employees in administration or management will have a corporate address to communicate by email.

Agendrix: Scheduling and communication management tools.

Quarterly meeting: Quarterly meetings are scheduled at certain times of the year, to communicate key elements and develop strategies.

ANNUAL CALENDAR - CIDRERIE LACROIX

JANUARY	APRIL	JULY	OCTOBER
			End of Apple Season End of the season staff party
FEBRUARY	MAY	AUGUST	NOVEMBER
	Mondial de la bière Growler's Day Annual evaluation	General Meeting Beginning of the season staff party	
MARCH	JUNE	SEPTEMBER	DECEMBER
General Meeting Mondial des cidres Beginning of the evaluation process	General Meeting	Beginning of Apple Season	General Meeting Christmas Party

Note: Calendar subject to change without notice