

Statement on
“Now Hiring: How the Opioid Epidemic Affects Small Businesses”
Submitted to
THE HOUSE COMMITTEE ON SMALL BUSINESS
By
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September 13, 2018

Good morning, Chairman Chabot, Ranking Member Velazquez, and members of The House Committee on Small Business. Thank you for the opportunity to testify before you to discuss how the opioid epidemic affects our small business, and more importantly, to share some of the activities our company has engaged in, hoping to change our business and our communities.

I hope that my testimony and remarks will provide insight into our challenges, our compassionate hiring practices and our company’s culture of dedication to our Tribe, their families and our communities. More importantly, I hope that by sharing our journey I can provide a business model for others, helping make a dent in this terrible drug epidemic.

My name is Lisa Allen. I am the President and CEO of The 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 treats.

Our Company’s Background

Originally, The Ziegenfelder Company was a neighborhood candy store dating back to the 1860’s just across the street from where we are today in Wheeling, WV. The Ziegenfelder Company 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 in the 1930's.

My grandfather a kind, hard-working family man found a work-home at Ziegenfelder and began impacting business with his sales and leadership skills. My father joined the business in 1950 and my family fully purchased the business in 1960. They were excited about the opportunity and continued to invest long hours and sweat equity in the business over and over again. In those times and frankly still today, the dairy manufacturing business was very competitive. Naturally, (and not unlike today) larger companies with greater resources were better equipped to meet market needs faster, including automating work that was still done by hand at Ziegenfelder. My family invested where they could, but businesses with far more resources and financial assets were better 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*** with the intent of servicing consumers in a difficult economy with an affordable, great tasting product. We differentiated our products with uniqueness in quality, packaging and price; and Budget Saver 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 truly focusing on what's most important to our consumer might be his competitive advantage. He developed a unique sugar blend, excellent flavor profiles and a clear see-through package; designed to retail at a very affordable price. And it did.

By reducing the expenses associated with 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 great tasting rainbow assortment of pops, sold at an affordable price and became a winning strategy!

Since 2003, Ziegenfelder has averaged 12% year-over-year organic growth in a grocery category that has been flat to declining, making Budget Saver products a steady market disrupter over time. Demand for our products has been supported by operational growth, adding production and storage facilities in Wheeling WV, Chino, CA and Denver, CO.

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 throughout the country. Last year we proudly sold over 40 million bags of pops in 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 BETTER TOGETHER, REVOLUTIONIZING OUR COMPANY AND BRINGING SMILES TO EVERY HOME IN AMERICA*** and our mission to ***MAKE PEOPLE SMILE WITH REALLY COOL TREATS***, 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 families everywhere.

One of our competitive advantages has always been our low-cost business model which we refer 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 \$3.00. 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. Our doors are open to nearly anyone who is willing to work hard, wants to grow and develop, and can commit to our *Zieggy Essentials*.

Perhaps our hiring practices emerged as an outgrowth of our company's culture and commitment to our Tribe; a diverse open-minded tapestry of loyal, hardworking people. Perhaps we *re-focused* our hiring practices because of the harsh reality of our shrinking workforce caused by the devastating effects of drug addiction on our business and our communities. Located in what often feels like the epi-center of the opioid crisis in a stagnant economic area, we find it challenging to secure a steady workforce. The overflow of statistical data confirming the deadly expanse of the opioid epidemic is overwhelming. Sadly, solutions are few and far between.

Drug addiction knows no bounds. Addicts are our sons, our daughters, our mothers and our fathers. Diversity of talent, potential, capability and intellect is interrupted and hijacked by drug addiction. Yet with recovery, hope, and connections, a person's resilient spirit can rise again.

Seeing beyond the addiction and incarceration to the resilient spirit is yet another competitive advantage we realize at Ziegenfelder.

The truth is our hiring practices most directly developed following a chance conversation with a friend from the U.S. District Attorney's office who thanked me for hiring individuals from a local half-way house, 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 intentional and hire re-entering citizens, veterans, and the homeless, many of whom included recovering drug addicts. We have always hired people who are willing to commit to our company and we hope we reflect the commitment that we are making to them. People with many different experiences and backgrounds have made that commitment to our company and we remain loyally committed to them.

Anyone dedicated to living what we refer to as our *Ziegy Essentials* is welcome to join our family; our Tribe. All you must 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 Ziegy 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

At Ziegenfelder we 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 often look inward to each other and our leaders and ask for help. When our Tribe is hurting, we're hurting too. As you well know, the complexities of the opioid epidemic are far-reaching eventually resulting in family and community disintegration, imprisonment and/or death. We take an active role in developing connections with individuals in our Tribe demonstrating how much we care about them as individuals. Intentionally connecting, asking about their lives and building relationship with people who often live in isolation or have lost connections can mean the powerful difference in relapsing into addiction or re-incarceration. Just Saturday, I had the opportunity to subtly honored one person celebrating three years clean and another who had his ankle bracelet removed, with a hug and a high-five. Hugely meaningful milestones in recovering and changing lives. We must remember, this could be your son, your daughter, your neighbor or your friend.

It knows no bounds.

In our Zieggy Tribe environment, loosely structured peer groups have emerged, addressing smoldering issues **THEY** see, address, and work together to solve. As a company we work with local counselors, social service agencies, our medical community, law enforcement, Department of Corrections and Rehabilitation, and federal probation officers and state parole officers on a case-by-case basis working to employ and assist recovery and reentry. We have visited state and federal prisons, we've participated in job fairs inside jails and in re-entry simulations. In partnership with the WV Division of Corrections and Rehabilitation, members of our tribe have been trained and certified as Addiction Recovery Coaches. We are working in

partnership with the West Virginia Department of Corrections on a pilot-work release project with our Northern Regional Jail. Currently incarcerated individuals, with excellent conduct records at the tail end of their sentence, walk three blocks to our facility, work an 8-hour shift and walk back to the jail. Contrasting the pennies inmates can earn while incarcerated, to earning our starting wage as a full-time employee goes a long way, once released and trying to start their lives again. We are realizing success with this program, and it seems like everyone wins. Our Ziegenfelder Tribe increases our committed, drug free workforce, stabilizing our production and serving our customers, and the inmates experience transition from full incarceration to self-responsibility outside of jail.

Win, win.

Our hiring practices have earned us recognition on national and local levels. We network with other businesses with similar initiatives. We've learned from and shared best practices with other businesses locally and nationwide, who commit to re-entry initiatives and returning citizens. 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 most of our Tribe is also committed to protecting our business and each other. We are a close-knit community, people look out for each other, and many have known each other for a long time.

Roughly one-third of our workforce has been with us for ten years or more. This portion of our Tribe is hard working and have 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 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, well-lived life. Some portion of the other third of our workforce truly struggle: we sense they are in the midst of something not good, spiraling downward. We are committed to creating and maintaining a safe environment, one that is socially and emotionally safe, and trusting, where our tribe can grow. We hope that this environment and culture can help support and reward our Zieggy Tribe of those who truly are in it to win it.

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. Again, these could be our children, our friends, our neighbors, our co-workers, all the fabric of our community; people with so much to contribute yet may have made poor decisions, changing the course of their lives.

Standing idle, often in judgement of others, doing little but measuring and analyzing statistics does not erase mistakes nor change the spiraling impact of addiction in our communities. Even worse, standing idle 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. One of our Tribe leaders 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.”

Please take a moment to view this 2-minute video sharing Tanner’s story.

[Ziegenfelder 100 Days in Appalachia](#)

We recognize the devastating impact of the drug epidemic. We believe in the resiliency of the human spirit. We come together in our community to find solutions versus continue to foster the problem. We have opened our doors 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. Unfortunately, we have had many failures. However, we learn from those disappointing circumstances and believe that the next person deserves our open minds and open hearts as much as the last individual.

Conclusion

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, DOJ, DOC and the Federal Board of Prisons, we are partnering to reach our community in unique

ways. Drug addiction and associated social problems have been ablaze for generations and it may take as long to win this battle. In our communities in Wheeling WV, 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 communities across this great nation, but to each person we can help, we make a difference. One by one we are making a difference.

Thank you for this opportunity to share our story and to testify before your committee. I look forward to your questions.