

CASE STUDY

Suburban Propane

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Background

Headquartered in Whippany, NJ, Suburban Propane is a nationwide marketer and distributor of energy products. The company specializes in propane, fuel oil, and refined fuels, as well as in natural gas and electricity. With nearly 3,300 full-time employees, Suburban services approximately 1 million residential, commercial, industrial, and agricultural customers at 700 locations in 41 states. Valued at \$1.4 billion, Suburban Propane has become a market leader in its more than 90 years of service.

The Opportunity

Major changes were on the horizon, but Suburban didn't have a clear picture of its people. When Mike Keating took the reins as Senior Vice President, the company had been heading into a period of significant organizational change. The organization had tried using assessments to help facilitate the change—but there was little coordination in how to hire, onboard, and develop its burgeoning and diverse staff.

On the verge of its first major acquisition, Agway Energy Services, it was clear Suburban needed better processes to manage an influx of new talent and merge two cultures. With so many important functions to manage—such as onboarding, team restructuring, and employee development—an all-in-one, scalable solution was critical.

"When we merged with Inergy, PI made it easier for us to identify who was the best behavioral fit for each role, which helped remove a lot of the stress and guesswork from the process."

Mike Keating Senior Vice President

The Solution

Keating found The Predictive Index® and was drawn to the platform due to how quickly and accurately it provides organizational data. At the heart of the platform is the PI Behavioral Assessment™, a simple yet powerful tool that provides insight into an employee's behavioral drives and needs. Suburban's leadership team gave the Behavioral Assessment to their own teams, as well as to incoming Agway employees, to better understand each group's behavioral tendencies. Armed with scientifically-backed insights, they diagnosed and resolved the gaps between the groups' different work styles and cultures.

After the acquisition, Suburban used the PI Job Assessment™ to create Job Targets and better optimize its talent. The company used the Behavioral Assessment in a 60-day vetting process to identify the best job

fits for incoming Agway leaders. By pairing the two assessments, Suburban's leadership team was able to analyze top performers in critical roles across the organization and tailor their talent strategy accordingly.

Eight years later, Suburban again found itself at the mercy of change, this time in the form of a merger with propane supplier Inergy. The lessons learned during the Agway acquisition helped set the stage for onboarding Inergy's people and understanding their behavioral and cultural needs. As the two companies merged, each Inergy employee took the PI Behavioral Assessment to objectively, consistently, and quickly determine roles that would best fit their personality. Suburban also leaned on behavioral data to identify similarities and differences between company cultures.

Perhaps most importantly, Suburban used PI to help determine the leaders of their new organization. Four weeks before closing the merger, several members of Inergy's management team completed the PI Behavioral Assessment. By comparing behavioral profiles with Job Targets created using the Job Assessment, Suburban was able to identify which leaders would be the best fits for Suburban's centralized structure.

"When we merged with Inergy, PI made it easier for us to identify who was the best behavioral fit for each role, which helped remove a lot of the stress and guesswork from the process," said Keating.

The Results

Almost 21% → 9%

Customer turnover

Under 2%

Executive turnover, with average tenure of 12 years

After the merger, Keating used the Behavioral Assessment to form his leadership team. Today, the assessment is still regularly incorporated into executive recruiting and succession planning. Empowered by PI, senior leadership can identify leadership characteristics best suited for their organization and appoint leaders that mesh well with the existing team.

"Our managers have also learned a lot from the data, which has made for a better customer service experience overall."

Sandra Zwickel Vice President of Human Resources

To maximize the executive team's effectiveness, Suburban's subsequent CEOs have used PI workshops and coaching to drive strategy-planning meetings. This allowed senior leadership to determine how best to work together, which objectives to pursue based on the team's collective strengths, and where there might be gaps to fill. By relying on objective behavioral data for these critical decisions, the team has been able to identify future leaders and gain alignment from key stakeholders.

But the executive team and incoming employees aren't the only beneficiaries of Suburban's PI results. The leadership team developed Job Targets for one of the company's most integral functions: customer service. After assessing high performers in the existing role, senior leadership divided customer service into two distinct positions—one front-office and one back-office—each with its own corresponding behavioral profiles. Suburban then gave Behavioral Assessments to all existing service employees—from admins and customer service reps to office managers—and used the data to assign people to one of the two roles. Not only were more than 95% of employees pleased with the positions, their responsibilities, and growth opportunities, but Suburban's customer service experience began to consistently exceed customer expectations.

"We saw huge improvements in customer service calls and skills of our employees," said Sandra Zwickel, Vice President of Human Resources. "Our managers have also learned a lot from the data, which has made for a better customer service experience overall."

Suburban now has a database of PI data for all employees, as well as Job Targets for every job position. All managers in the organization—from the executive team down—are aware of their behavioral profiles and use them to communicate, motivate, and reward their people.

The results speak for themselves. Since implementing PI:

- Customer turnover dropped from almost 21% to 9%, well below the national norm of 12%-13%.
- Average tenure for executives is 12 years, with less than 2% turnover.
- Suburban has successfully navigated more than a dozen acquisitions and several strategic management transitions.

"We always start with the PI Behavioral Assessment," said Keating. "It is our jumping off point for any significant employee-related decisions." The talent optimization strategies PI helped Suburban execute allowed the company to unlock its people's potential and grow into the billion dollar brand it is today.

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Company details, roles and results reflect the original case study.

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