

THE PREDICTIVE INDEX®

CASE STUDY



18 Years of Growth, and Growing, with The Predictive Index®



Suburban Propane

Headquartered in Whippany, NJ, Suburban Propane (NYSE:SPH) is a nationwide marketer and distributor of energy products, specializing in propane, fuel oil and refined fuels, as well as the marketing of natural gas and electricity in deregulated markets. With nearly 3,800 full-time employees, Suburban maintains business operations in 41 states, providing service to approximately 1.2 million residential, commercial, industrial and agricultural customers.

Major changes were on the horizon, and they didn't have a clear picture of their people.

When Mike Keating took over as head of HR at Suburban almost two decades ago, the company was heading into a period of significant organizational change but was using a variety of assessments, with little coordination, to hire, onboard and develop its burgeoning and diverse staff. Mike worked with PI Worldwide Member Firm, Augur Inc., to consolidate the entire organization on one simple, fast and accurate behavioral assessment solution, the Predictive Index, which got the entire organization speaking the same language and using the same data.

Eighteen years later, the company has used the PI solution to see it through the successful integration of two major (and more than a dozen smaller) acquisitions, to transition through three CEO changes (and many other strategic management changes at all levels), and to transform its customer service group to become the \$1.5B industry leader it is today.



The Predictive Index is a common language throughout the entire company, all the way up to the CEO. Any time we've made a transformative change, PI has been a lever.



Mike Keating, SVP
Suburban Propane

They analyzed workplace behaviors to ensure smooth post-merger integration.

In 2004, Suburban made its first major acquisition, Agway Energy Services. The Suburban leadership team used the PI Behavioral Assessment™ to understand the behavioral culture of Agway's team in order to resolve the gaps between the differing company styles and cultures. Suburban also had Agway's managers complete the assessment as part of a 60-day vetting process to identify the best fit for each management role.

After the acquisition of Agway, Suburban used the accompanying job analytics survey, the PI Performance Requirements Option™ (PRO), to determine job requirements from a behavioral perspective. The PI and PRO helped Suburban analyze top performers in critical roles across the organization. The lessons learned from the Agway integration helped set the stage for the acquisition of Inergy in 2012.

Planning Acquisition #2 with PI and the PRO

Four weeks prior to the Inergy deal closing, several of Inergy's key leaders completed the PI Behavioral Assessment. Based in part on that data and the information collected by the PRO, Suburban was able to identify which leaders would most likely be a good fit for Suburban's centralized structure. Suburban's CEO at the time also used the assessment as a component in choosing his leadership team post-merger.

In addition, the transition team had every Inergy employee take the PI Behavioral assessment so that when the time came to integrate, they had an objective and consistent way to quickly determine who was the best fit for each role. Suburban also used the assessment to identify similarities and differences in each culture to help facilitate a smooth integration.

“When we merged with Inergy, the 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, SVP
Suburban Propane

They used PI for succession planning.

In the past two decades, Suburban has had three different CEOs, each with personalities, skill sets and management styles appropriate to the next phase of the company's growth and development.

In 2009, working in conjunction with the CEO and the board, Mike Keating and his team used the PI to determine job requirements and ideal behavioral traits for the new CEO role instead of trying to replicate what had worked in the past. The CEO selected had a different approach and behavioral style than his predecessor, but he proved to be the best fit for that period in the company's life, successfully leading the Inergy integration, among other major accomplishments. This same CEO also put in place a formal succession planning process to help in the selection of his replacement.

SP's current CEO was one of three potential candidates identified 5-6 years before he was offered the job. His leadership skills weren't immediately obvious but were clearly identified in his PI assessment. Seeing the data made his predecessor and the Board of Directors more comfortable with their selection.

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“ We always start with the PI Behavioral Assessment. It is our jumping off point for any significant employee-related decisions ”

Mike Keating, SVP
Suburban Propane

They did job fit analysis to make sure the right people were in the right roles.

Forming Leadership Teams

Suburban's leadership teams have also transitioned in conjunction with the CEO changes. In each instance, The PI Behavioral assessment was used to identify leadership needs and characteristics complementary to the CEO's and to assure diversity of thought and expression in setting and achieving the company's goals and objectives. It became such an integral management tool that each Suburban CEO used the PI Management Workshop as the basis for an executive offsite to determine how the team should work together in their individual capacities and as cross-functional groups.

Transforming the Customer Experience

Suburban Propane's HR team also used the assessment to overhaul its customer service organization. They used the PRO to develop behavioral requirements for the various customer service roles and assess the behavioral demands of each job. What had once been thought of as a single role evolved into two distinct front-office and back-office positions with corresponding behavioral profiles. Suburban then gave assessments to all service employees, from admins to customer service reps and office managers, and used the resulting data, along with input from managers, to assign people to either front or back-office roles. Not only were more than 95% of the people

pleased with the positions, responsibilities and growth opportunities they were given but, in the process, Suburban positively transformed its customer service experience to consistently exceed customer expectations.

SP now has a database of PI data for almost everyone in the company, as well as job requirement profiles (PROs) on every job position. All managers in the organization, including the CEO, know their results and use the PI data to communicate, motivate and reward their people. They have also used it for conflict resolution and managing change.

The results speak for themselves.

- 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.

“ PI is freakishly accurate and has helped us increase the caliber of people at our company. We saw huge improvements in customer service calls and skills of our employees. Our managers have also learned a lot from the data, which has made for a better customer service experience overall. ”

Sandra Zwickel, VP-HR
Suburban Propane



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