

# Evaluating FireCraft's Interfaith Strategy

Team #3

# TEAM #3 MEMBERS



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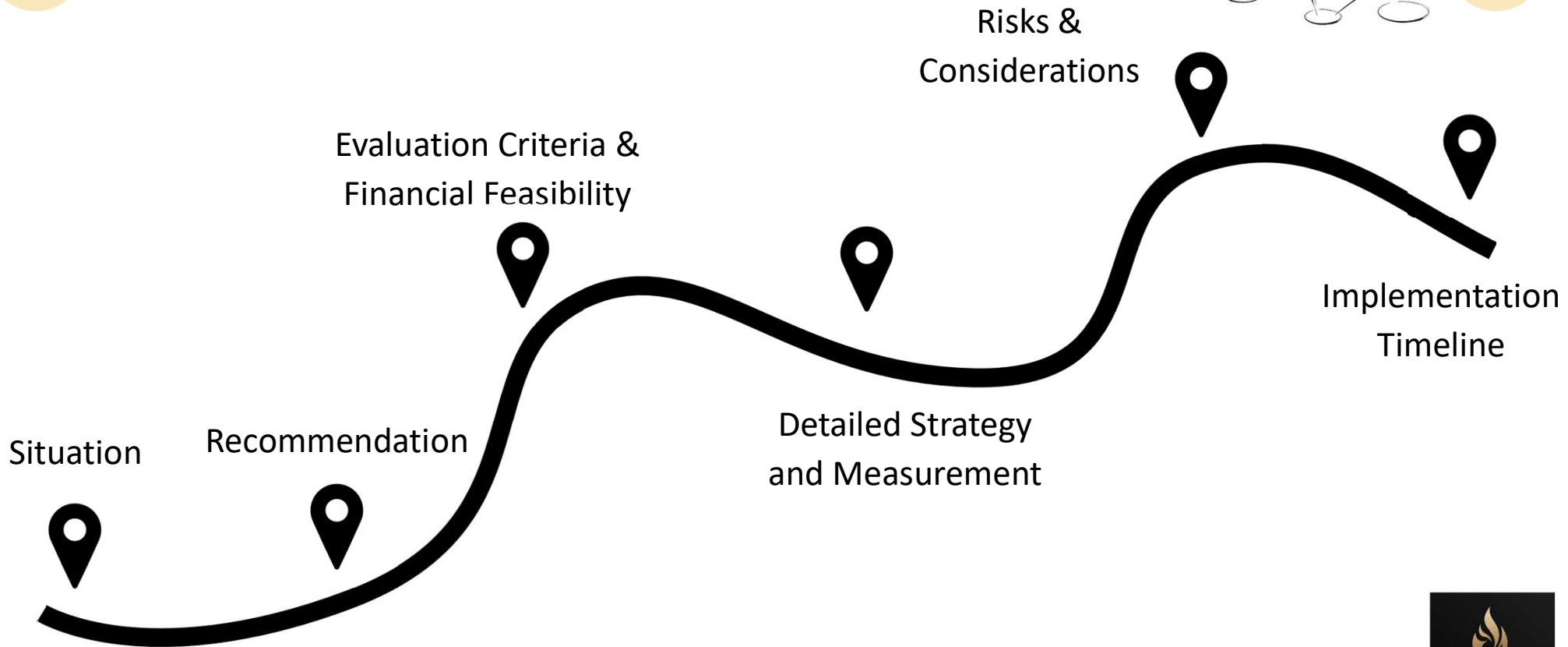


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# ROADMAP



Situation

Recommendation

Evaluation Criteria &  
Financial Feasibility

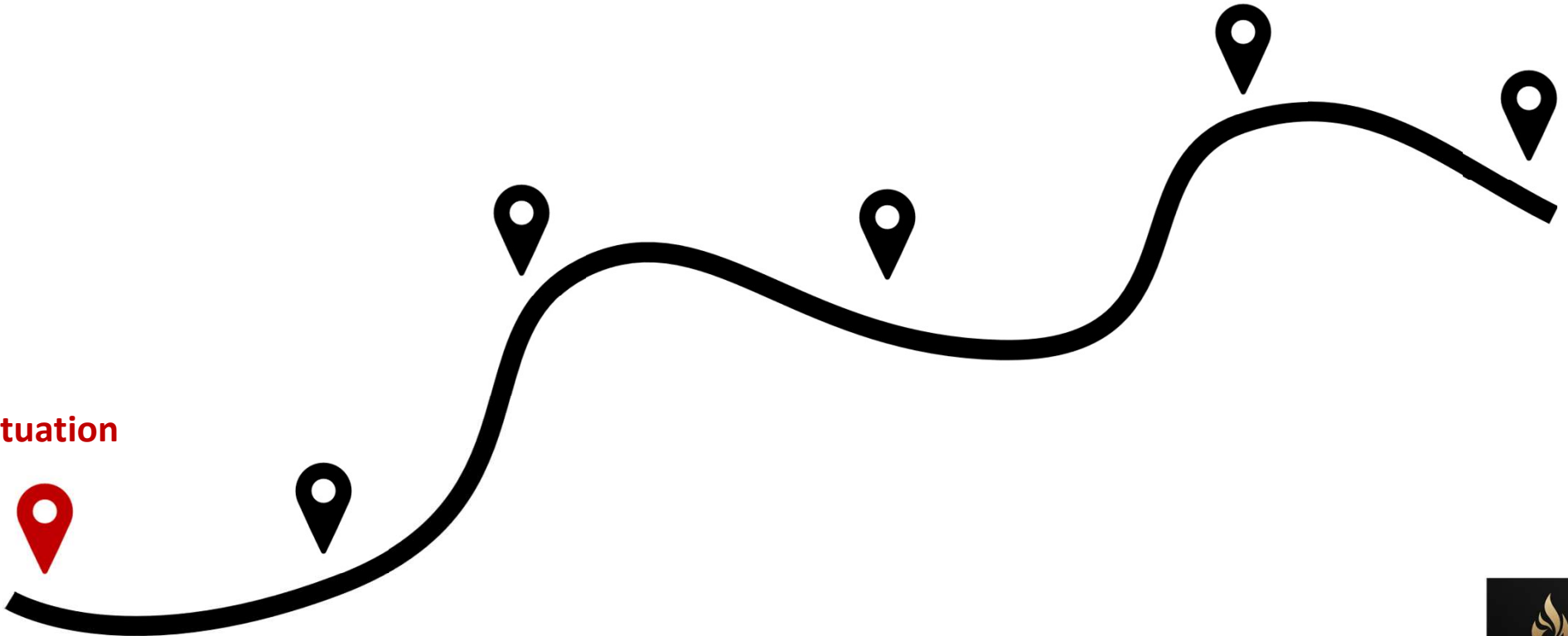
Detailed Strategy  
and Measurement

Risks &  
Considerations

Implementation  
Timeline



Situation



# After two years of lagging sales, FireCraft is considering cutting its Interfaith ERG as part of broader cost cutting effort

## Key Facts:

- 700 employees
- Declining sales and profitability post-2022; \$300M revenue in 2024
- Leadership considering **cutting Interfaith ERG** as part of broader cost-cutting initiative



## Company Mission:

To revolutionize the art of pizza-making worldwide, becoming the go-to brand for smart cooking solutions that blend tradition with technology, while nurturing a vibrant, **inclusive community** of food enthusiasts and culinary professionals



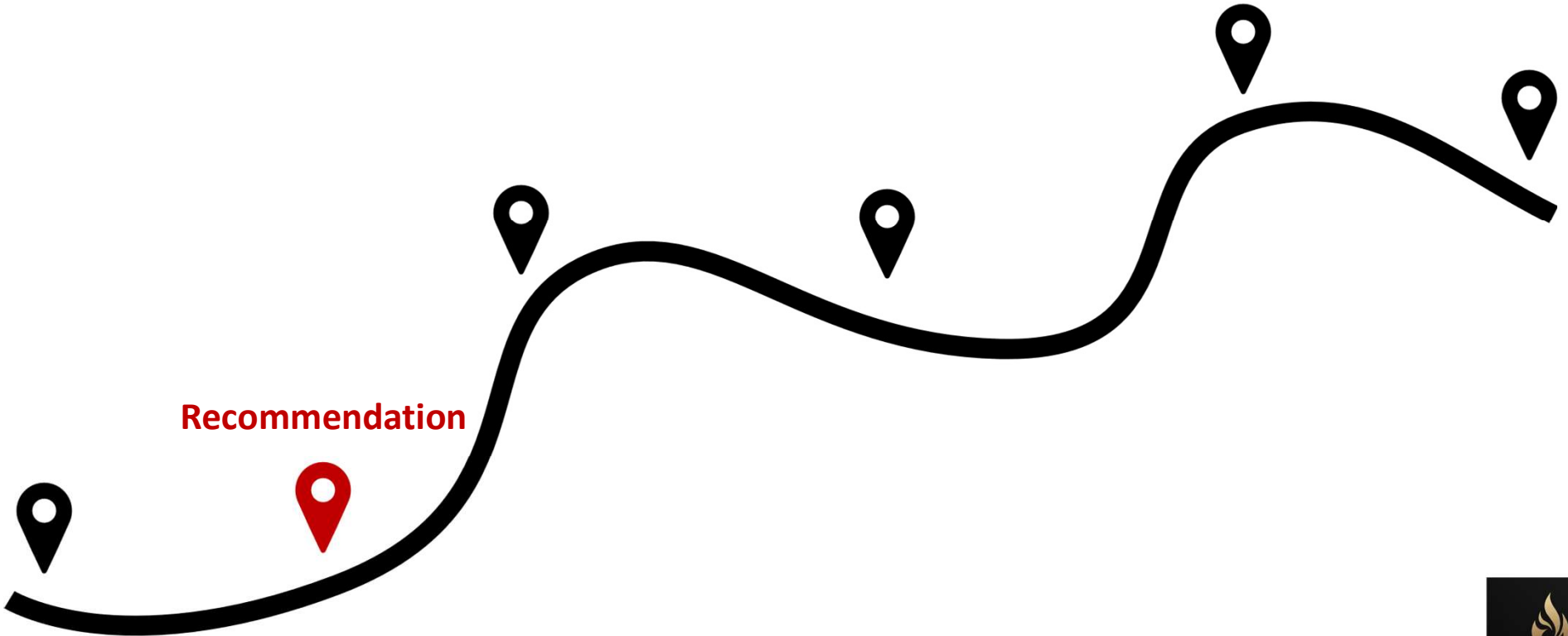
## Company Values:

**Integrity:** We uphold honest and ethical practices in all our endeavors.

**Teamwork:** The secret ingredient in every kitchen is **synergy**.

**Authenticity:** We blend **tradition** with **innovation** in our culinary creations





**Recommendation**



# We recommend that FireCraft retain its Interfaith ERG with the current budget, but implement strategic changes

Current State
\$20,000 Annual Budget
Bi-Monthly Events
Events Held during Work Hours



Proposed State	
\$20,000 Annual Budget	
Monthly Events	
Events Held during Lunch and Non-Work Hours	
Mentorship and Buddy Systems	
Interfaith Tech through existing forums (Slack)	
Recognition Awards	
Purpose and Meaning @ Work webinars	
ERG x Product R&D Crossover	
Faith & Food Initiative	

**Evaluation Criteria &  
Financial Feasibility**



# In developing our proposed strategy, we weighed assumed benefits against assumed drawbacks of several alternatives

## Benefits

### Employee Productivity

- Improved Satisfaction
- Improved Connectivity
- Innovation & idea sharing

### Employee Retention

- Improved Satisfaction
- Improved Connectivity

### Recruitment & Employer Brand

- Easy to hire

## Drawbacks

### Direct Costs

- Events, Food, etc.

### Indirect Costs

- Lost Productivity

### Measurability

- Difficulty isolating impact
- Difficulty measuring pros

## Company Funded ERG scores best among alternatives; offering financial credits to employees has worse outcomes than “do nothing”

Initiative	Productivity	Retention	Attraction	Direct Costs	Indirect Costs	Measurability	Total Score <sup>1</sup>
Scrap & Do Nothing	0	0	0	5 (None)	5 (None)	N/A	10
Company Funded ERG	4	4	3	3 (20k)	2 (95k)	3 (Some metrics)	19
Employee Funded ERG	4	3	2	4 (less than above)	2 (95k)	2 (External)	17
Chaplains	3	3	3	2 (50k Chaplain)	3 (Less)	2 (Hard to Measure)	16
Financial Credits	1	1	2	1 (56k, \$80/hc)	1 (None)	N/A	6

<sup>1</sup>Each metric rated on scale of 0-5, 0 being worst and 5 being best

# Minor enhancements in hiring efficiency and retention would validate current investment in interfaith ERG

- **Direct Costs:**
  - \$20,000 ERG allocation
- **Attraction:**
  - Reduce # of days to fill a role by 3, FireCraft saves \$9,600\*
- **Retention:**
  - Retain +3 employees, FireCraft saves \$12,200 (\$4,700 hiring cost)\*
- **Breakeven:**
  - Costs justified, even without considering possible improvements in employee productivity



\*See Appendix for detailed calculations

# Proposed ERG changes largely eliminate indirect costs associated with lost productivity

## Current State:

- Events held during work hours twice a month (24 hrs/year)



Estimated annual cost of lost productivity: \$94,200\*



## Proposed Solution:

- Fewer Events (once a month)
- Hold events outside working hours (Lunch, Happy Hours)
- In-person events supplemented by other strategic changes



Indirect Costs Become Negligible

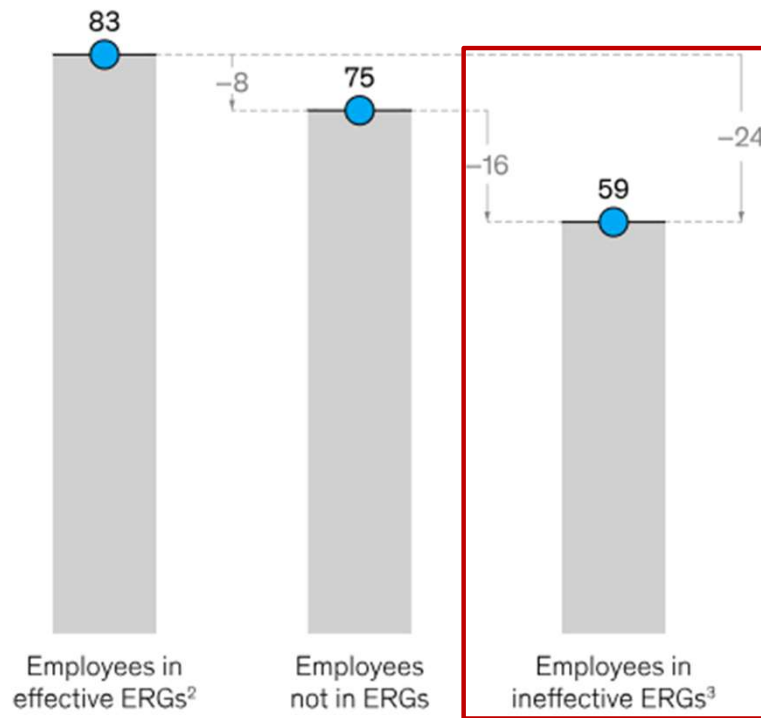
\*See Appendix for detailed calculations



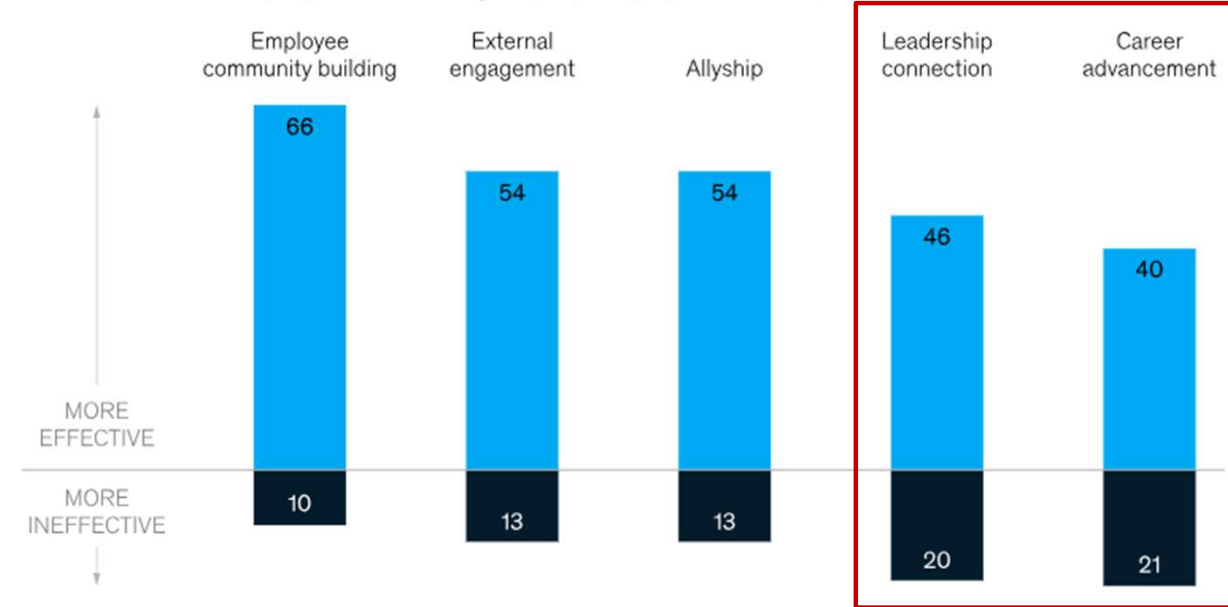
**Detailed Strategy  
and Measurement**

# Ineffective ERGs hurt inclusivity; leadership connection and career advancement are biggest improvement areas for FireCraft

Average Inclusion score by employee resource group (ERG) effectiveness, 0-100 scale



Effectiveness of employee resource groups (ERG) by dimension, % of ERG members



Source: McKinsey, Effective employee resource groups are key to inclusion at work. Here's how to get them right, Dec 2022



## We propose a strategy that is practical, scalable, and addresses gaps in the current interfaith ERG setting

		Community Building	External Engagement	Career Advancement
<b>Short-Term</b> Achieve today	Develop <b>metrics</b> to measure each ERG		✓	
	Establish <b>Executive sponsor</b>	✓		
<b>Mid-Term</b> Quick Wins	Implement an <b>Interfaith calendar</b> to be posted on FireCraft's intranet	✓		
	Interfaith Tech Forums ( <b>Teams / Slack / Yammer channel</b> )	✓	✓	
	Build a <b>Buddy System &amp; Mentorship Program</b>	✓		✓
	<b>Faith @ Lunch</b> education series	✓	✓	
<b>Long-Term</b> Sustainable strategy	Faith-inspired <b>Product R&amp;D</b> (i.e. halal/kosher certified ovens)	✓		✓
	Create a <b>Faith &amp; Food initiative</b> to explore global pizza traditions	✓	✓	
	Purpose and Meaning @ Work <b>webinars</b>	✓	✓	
	<b>Recognition Awards</b>	✓		✓

# Effective measurement against company objectives will be crucial to justify Interfaith ERG's continued existence

## Goal: Attract Talent

**Track:** # of new hires through ERG Referral; ERG checkbox on job applications

**Mechanics:** HR tracks ERG affiliation of referrer

## Goal: Reduce Turnover

**Track:** Employee Attrition Rate

**Mechanics:** Track ERG participation in Exit Surveys / Interviews

## Goal: Increase Employee Productivity

**Track:** Innovative Ideas implementation rate & impact of implemented ideas

**Mechanics:** Project idea submission platform with tracking capabilities

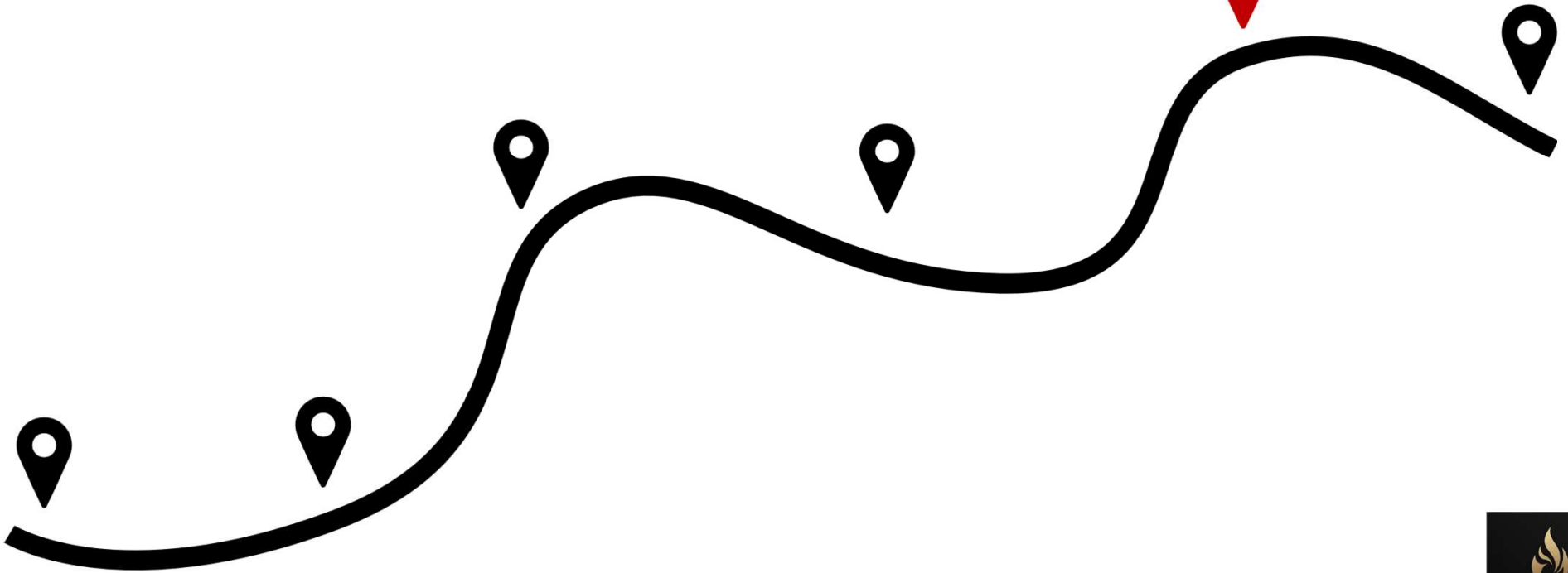
## Goal: Increase Morale

**Track:** Inclusivity, happiness at work, satisfaction rate

**Mechanics:** Regular pulse surveys tracking metrics over time & ERG participation rates



**Risks & Considerations**



# Communication and Alignment are key to ensuring the successful implementation of the interfaith ERG

## Exclusivity or Tension



- Set **clear community guidelines and assign moderators**
- Ensure participation is **voluntary**
- Frame **communication to highlight cultural awareness and shared values, fostering unity**
- Conduct **regular policy reviews** for continuous improvement based on employee feedback

## Low Awareness & Engagement

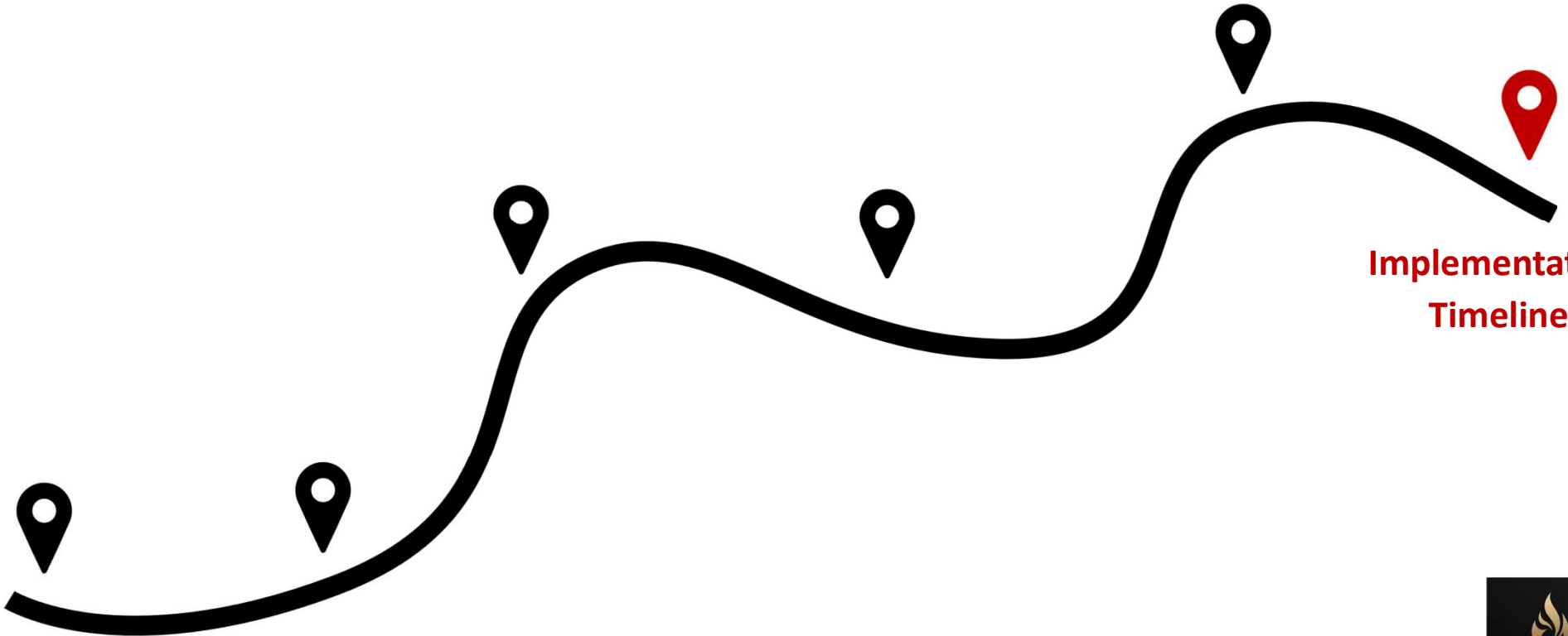


- Use **multiple communication channels** (emails, intranet, team meetings)
- **Tailor messages** to different groups of employees

## Resistance from Employees or Leadership



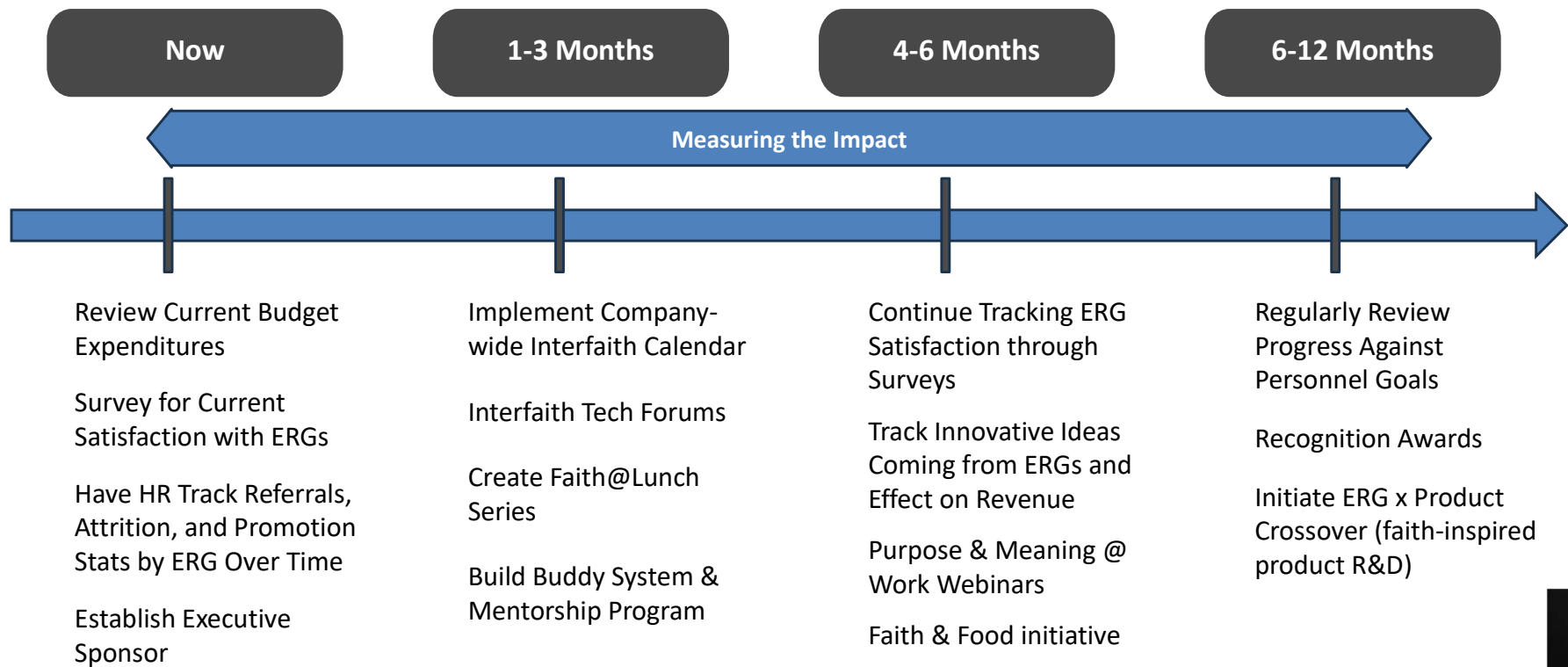
- Align the initiative with **business objectives** (e.g., diversity, retention)
- Ensure **leaders actively participate** in events and discussions (Special Invitation to some leaders)
- Create **incentives program** related in ERG's programs.



**Implementation  
Timeline**



# FireCraft should implement this strategy in phases, track progress, and refine as needed



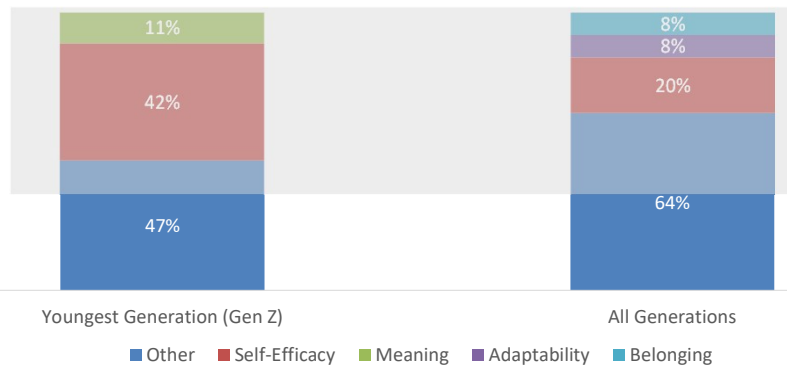
# Q & A

## Sources

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- <https://www.mckinsey.com/mhi/our-insights/thriving-workplaces-how-employers-can-improve-productivity-and-change-lives>
- <https://t-factor.com/wp-content/uploads/2024/06/7-Critical-Steps-for-Transformation.pdf>
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- <https://www.payrollvault.com/hr-blog-resources/employee-attrition-rate-whats-normal-whats-not-how-to-improve-1710358254711.html>
- <https://www.zinghr.com/hrm/employee-attrition-rate/>

# Focus on managing predictors of burnout and holistic health to increase employee retention and productivity

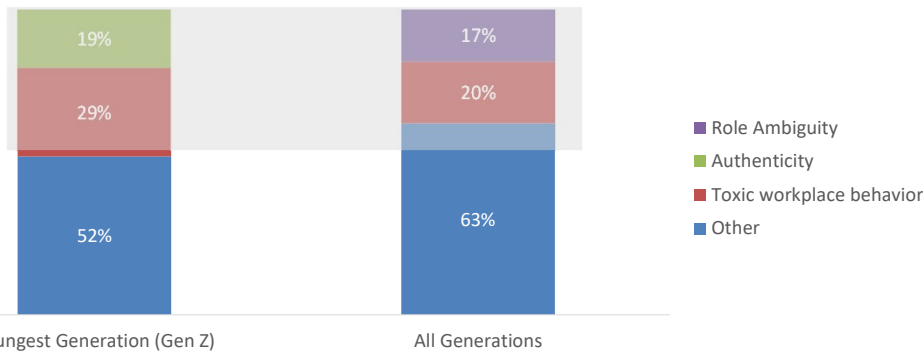
Predictors of holistic health:



**Self-efficacy** is a predictor of holistic health in 42% of Gen Z vs. 20% rest of the generation

**Meaning** is a predictor of holistic health in 11% of Gen Z vs. 8% each in adaptability and belonging in rest of the generation

Predictors of burnout



**Toxic workplace behavior** is a predictor of burnout in 29% of Gen Z vs. 20% rest of the generation

**Authenticity** is a predictor of burnout in 19% of Gen Z vs. 17% of the rest of the generation care about **role ambiguity**

Source: McKinsey, Thriving workplaces: How employers can improve productivity and change lives, Jan 2025



# Calculating Indirect Productivity Costs

## 1) Productivity Costs

# Employees	700
Hours per Week	40
Weeks per Year	52
Hours per Year	2,080
Annual Hrs Spent	24

Dept	% of Company	# Employees	% Engaged	# Engaged	Avg Salary	Hrly Rate	Productivity Cost
Sales	32.57%	228	7%	16	\$ 74,754	\$ 35.94	\$ 13,766
R&D	12.38%	87	14%	12	\$ 116,044	\$ 55.79	\$ 16,245
IT	12.23%	86	5%	4	\$ 152,514	\$ 73.32	\$ 7,533
Support	12.23%	86	21%	18	\$ 89,773	\$ 43.16	\$ 18,622
Ops	8.68%	61	8%	5	\$ 107,660	\$ 51.76	\$ 6,038
Finance	6.69%	47	0%	0	\$ 145,116	\$ 69.77	\$ -
Distribution	6.26%	44	14%	6	\$ 127,109	\$ 61.11	\$ 8,998
HR	4.55%	32	6%	2	\$ 109,745	\$ 52.76	\$ 2,420
Execs	4.41%	31	19%	6	\$ 304,075	\$ 146.19	\$ 20,579
<b>Totals</b>		<b>700</b>		<b>69</b>	<b>\$ 136,310</b>	<b>\$ 65.53</b>	<b>\$ 94,200</b>

# Calculating Retention Rates

## 2) Retention Data

Cost to Hire	\$	4,700
Good Attrition Rate		10%

Months	Attrition Rate	# Employees	Rplcemt Cost
Jan	0.60%	4	\$ 19,740
Feb	0.30%	2	\$ 9,870
Mar	1.10%	8	\$ 36,190
Apr	0.80%	6	\$ 26,320
May	0.70%	5	\$ 23,030
Jun	0.40%	3	\$ 13,160
Jul	0.10%	1	\$ 3,290
Aug	0.20%	1	\$ 6,580
Sep	0.70%	5	\$ 23,030
Oct	1.70%	12	\$ 55,930
Nov	-0.10%	-1	\$ (3,290)
Dec	0.30%	2	\$ 9,870
<b>Totals</b>	<b>6.8%</b>	<b>48</b>	<b>\$ 223,720</b>

### Reducing Attrition by:

Bps	New Attrition	# Employees	New Cost	Delta
0.006	6.2%	45	\$ 211,500	\$ 12,220



# Calculating Attraction Rates

## 3) Talent Attraction

Company Rev	\$ 300,000,000
# Employees	700
Avg Annual Rev/Emp	\$ 428,571
Avg Daily Empl Rev	\$ 1,174
Avg Salary	\$ 136,310
Avg Daily Salary	\$ 373
Avg Daily Profit	\$ 801

Quarters	Avg # Fill Days	Avg Applicants	Loss from Vacancy
Q1	77	81	\$ 61,655
Q2	42	71	\$ 33,630
Q3	62	95	\$ 49,644
Q4	38	89	\$ 30,427
<b>Totals</b>			<b>\$ 175,357</b>

Reduce by # of days: **3**

Quarters	Avg # Fill Days	Avg Applicants	Loss from Vacancy
Q1	74	81	\$ 59,253
Q2	39	71	\$ 31,228
Q3	59	95	\$ 47,242
Q4	35	89	\$ 28,025
<b>Totals</b>			<b>\$ 165,748</b>

Delta \$ 9,609



## Measurability: Cost per Engaged Employee

$$\text{CPEE} = \frac{\text{Direct costs} + \text{Indirect Costs}}{\text{Number of Engaged Employees}}$$

Scenario	Direct Costs	Indirect Costs	Engaged Employees	CPEE
Current	\$20,000	\$15,000	70	\$500
Cut Indirect Costs	\$20,000	\$8,000	70	\$400
Increase Engagement by 50%	\$20,000	\$15,000	105	\$333
Cut Costs & Increase Engagement	\$20,000	\$8,000	105	\$267

**\$20,000 budget will be reallocated for specific initiatives impacting company performance**

Monthly Events	\$10,000
Buddy System	\$1,000
Mentorship Program	\$2,000
Interfaith Calendar	\$100
Faith @ Lunch Potluck	\$0
Hiring Referral Program	\$2,900
Measurement Systems	\$4,000
<b>Total</b>	<b>\$20,000</b>

