

America's Tomorrow: Equity Is the Superior Growth Model



February 12, 2014

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Features

Energy Bar Fuels Economic Change on Pine Ridge Reservation



The Tanka team.

Can an energy bar spur economic growth on the Pine Ridge Reservation in South Dakota? That's the hope behind [Tanka](#), a line of protein snacks made from buffalo meat and developed to generate new jobs and wealth by creating the first Native American national food brand.

It's the brainchild of Karlene Hunter and Mark Tilsen, social entrepreneurs and activists who have worked on the reservation for decades to stabilize and strengthen the economy. Seven years ago, they hit on the idea of doing with buffalo snacks what Ben and Jerry did with ice cream — and doing it in ways that honor Native traditions, restore Native grazing lands, and return the economic benefits to the community.

"We didn't set out to build a profit-making company," Tilsen said. "We set out to build a company that can sustain

In Brief

Moral March on Raleigh Draws Thousands

This weekend, an estimated [80,000 to 100,000 people](#) marched in North Carolina's capital to oppose recent legislation that has slashed voting rights, reduced unemployment benefits, and cut education spending, among other things. The march comes after nearly a year of [Moral Monday protests](#) organized by the NAACP and many more.

Hungry for Equity?

Thanks to Restaurant Opportunities Center United new [2014 National Diner's Guide](#), you can now turn your next meal out into an opportunity to build a better economy. Download the free guide to find out how your favorite restaurants treat their workers and learn tips on how to encourage better practices.

Growing a Healthier Economy

More evidence on the benefits of health-care expansion: a [new study](#) out by the Brookings

economic change."

Today, Native American Natural Foods LLC, based on the reservation in Kyle, South Dakota, has \$2 million in annual revenues and 17 employees. Its Tanka products — nutritious bars, sticks, and bites based on Native recipes — are sold online and in 5,000 outlets across all 50 states, including Whole Foods stores.

Committed to self-determination and sustainability, the company is working toward a plan for employees to become owners. The company has also established the nonprofit Tanka Fund, in collaboration with the American Indian Land Tenure Foundation, to help return the buffalo to one million acres of the Great Plains and to the diets of Indian people.

"We're focused on becoming much larger," Tilsen said. "We've set a goal of building a brand that's big enough to have a positive impact on the lives of the people, the community, the land, and the buffalo, and that gives permission to people to do this stuff. We want to create an atmosphere of creative entrepreneurship."

The Pine Ridge Reservation, home of the Oglala Lakota people, and with a population of about 40,000 in an area larger than the state of Delaware, has a poverty rate of 49 percent and 80 percent [unemployment](#). Hunter and Tilsen have worked to turn around these numbers.

Hunter, a member of the Oglala Sioux Tribe, helped bring a library to the community colleges on the reservation. Hunter and Tilsen helped create the first Native American community development financial institution, called Lakota Funds, and the first chamber of commerce on the reservation.

They realized that on a reservation where unemployment has never dropped below 65 percent, the greatest need was for jobs with opportunities to advance and build wealth. They also knew the solution was not to attract outside companies that would extract resources and deliver low-wage jobs to the community. They began exploring the opportunities in establishing "brand value" connected to Native traditions. This led them to food.

There were naysayers aplenty. But Tilsen and Hunter are proving the skeptics wrong. With initial financing from Lakota Funds, and support from the Northwest Area Foundation as a

Institution shows that Americans in the bottom fifth of income distribution will see their earnings go up 6 percent because of the Affordable Care Act. And the benefits could be even greater for low-income people and people of color if measures are put in place to build pathways into good jobs in the health-care sector — a [new report](#) from the Greenlining Institute explains how.

An All-In Approach to Ending Poverty

PolicyLink hosted Cecilia Muñoz, director of the White House Domestic Policy Council, three cabinet secretaries, and several leaders of the new Promise Zones at an event in D.C. last week to share place-based strategies in urban, rural, and tribal regions to end generational poverty. [Watch the video](#).

model equity investment, the company released its first product, the Tanka Bar, in 2007. Made from buffalo and dried cranberries, it is based on the Lakota dish *wasna* — Tilsen and Hunter had collected recipes from the community. They held a ceremony honoring the buffalo to celebrate the launch.

At first they sold Tanka online and on the reservation only. Getting it into stores has been one of the biggest challenges. "The natural food industry is a good old boys system. It's a real battle to get listened to, to get shelf space, and to hold on to that shelf space," said Tilsen.

But they persisted, and though the company is still small, by food industry standards, it's a big boon for the reservation, and especially for employees like Rachel Hunter, age 24.

Hunter, a niece of founder Karlene Hunter, was hired in sales, at minimum wage, right out of high school. She learned the business and the art of the pitch on the job. Five years later, she is the supply chain manager, making nearly double her original salary, and proud of the opportunities the company has given her. She works with companies from Denver to Michigan that supply the meat and fruit, produce the snacks, and pack and ship them around the country.

"It's exciting," she said. "This is such a unique company — there's no other business like it on the reservation. I want to know as much as Mark and Karlene do to keep the company growing and to keep it here on the reservation."

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How Good Jobs Can Drive Profits

Even in competitive industries like retail, businesses can boost profits *and* provide good jobs, argues MIT business professor Zeynep Ton. Her new book, [*The Good Jobs Strategy*](#), explains how investing in workers and implementing smart business practices can benefit investors, customers, and millions of employees. Ton's groundbreaking research provides important evidence that we can raise the minimum wage without hurting businesses' bottom line, and should help to inform the national dialogue about inequality.



Zeynep Ton, author *The Good Jobs Strategy*

America's Tomorrow spoke with Ton about her research.

What is the good jobs strategy?

It is a strategy that yields great value to investors and customers while creating good jobs for employees. And it is a strategy that doesn't depend on charging customers more.

The good jobs strategy involves two components: investment in people and a good design in operations. The strategy is not just about paying employees more or treating them nicely. It's about making smart operational decisions that transform the investment in people into high performance.

Sounds like everybody wins.

The good jobs strategy benefits everyone. It works great for employees because they have good jobs. The companies I studied paid their employees higher wages than their competitors. They do a better job providing more predictable schedules. They design jobs in a way that provides meaning in the job and sets up employees for success. It's good for customers because they end up having low prices and great customer service. And investors also benefit. When companies pursue the bad jobs strategy, the pervasive operational problems have a big effect on their sales and profits. They end up leaving money on the table because their operations are not that good.

How do companies implement a good jobs strategy?

The companies I studied were all making similar and smart operational choices. First, offer fewer but better choices for customers. Second, combine operations standardization with employee empowerment. Third, cross-train employees, and fourth, operate with enough staffing so that employees can do their jobs well. These four choices really enabled the good jobs strategies by reducing cost, increasing the productivity of workers, and enabling employees to have an effect on company profits.

Most people want to do a good job at work. They don't go to work thinking, how they could mess this up. They want to contribute. The companies that offer the good jobs strategy do this well.

Tell me about a company doing it right.

QuikTrip, based in Tulsa, Oklahoma, is one of the best

Fortune 100 companies to work for, and has been for many years in a row. Their wages are higher than the industry average, and they provide more stable schedules and room for advancement than their competitors. Not surprisingly, they have one of the lowest turnover rates. At the same time, they offer the lowest prices in their industry, outstanding customer service, and thrive financially. Their per store profits are almost double the top quartile in their industry and they have one of the highest sales per square foot in the industry.

In my interviews, several QuikTrip employees told me they loved their job because they were held to very high standards. The company had very high expectations of them and they loved being able to meet those expectations. They told me how their job is about making people happy. This is a convenience-store chain with gas stations; part of their job is cleaning toilets and gas pumps. But they see their job as so much bigger than that.

Can the good jobs strategy reduce poverty and inequality?

Absolutely. Look at companies that follow the good jobs strategy. Employees with full-time jobs at these companies are nowhere near the poverty line. Millions of people work in retail, so this could have a large impact.

What will it take to move the needle on this?

We can all do our part to encourage more companies to adopt this. As business school academics, we can educate our students, the future business leaders who will manage these companies, to show them you can run a business and make money by satisfying multiple stakeholders at the same time.

Customers can clearly vote with their own feet. They can choose restaurants and stores that provide good jobs.

What policy levers would help?

This is not my expertise. But if the minimum wage were to increase, that would put pressure on companies to find ways to improve the productivity of their employees.

Why don't more companies pursue a good jobs strategy?

There's a mindset that the only way to get the lowest prices is to pay employees as little as possible, treat them as a cost to

be minimized. This has become the conventional wisdom. And companies tend to have more short-term focus than long-term focus. The good jobs strategy is about making a set of choices that improve the productivity of employees and that ensure that employees can play a big role in driving profits. It's not an easy strategy to execute but this should not be an excuse, given how much of a social problem we have and how much everyone can benefit.

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America's Tomorrow highlights campaigns, leaders, policies, reports, and local models that are advancing equity as an economic imperative. It is produced by Chris Schildt, Sarah Treuhaft, Fran Smith, and Ana Louie. To learn more, visit the *America's Tomorrow* **webpage**.

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