



# A WELCOA Expert Interview...

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# Family Affair



**David Hunnicutt, PhD**  
President, Wellness Councils of America

**Ted Townsend**  
CEO, Townsend Engineering

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*It's one big happy family at Townsend Engineering,  
and CEO Ted Townsend explains how  
the company's corporate culture keeps it that way.*

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## **ABOUT THE WELLNESS COUNCILS OF AMERICA**

The Wellness Councils of America is one of North America's most trusted voices on the topic of worksite wellness. With over a decade of experience, WELCOA is widely recognized and highly regarded for its innovative approach to worksite wellness.

Indeed, through their internationally recognized "Well Workplace" awards initiative, WELCOA has helped hundreds of companies transform their corporate cultures and improve the health and well-being of their most valuable asset—their employees.

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# Topics Covered

## **History Of Townsend Engineering**

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## **Innovation At Townsend**

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## **Corporate Culture At Townsend**

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## **Incentive Programs At Townsend**

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## **Decision-Making At Townsend**

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## **Health Facilities At Townsend**

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## **Leadership At Townsend**

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## **Thoughts On The Future**



# Family Affair

**W**ELCOA President David Hunnicutt sits down with Ted Townsend, second generation CEO of Townsend Engineering, to talk about corporate culture and the important role it plays in helping employees feel like family.

**David Hunnicutt, PhD**  
**President,**  
**Wellness Councils of America**

David Hunnicutt, PhD, was named President of WELCOA in 1995. Under Dr. Hunnicutt's guidance, WELCOA routinely distributes millions of publications each year to its corporate membership of over 2,500 companies, and over 500 Well Workplaces. These publications are designed to increase quality of life, enhance employee productivity, and improve personal health and well-being.



Known for his pragmatic approach and strong background in organizational development and corporate leadership, Dr. Hunnicutt is widely recognized as a national wellness advocate. By dedicating his professional energies to advancing the cause of corporate wellness, Dr. Hunnicutt consults with hundreds of organizations each year including Merrill Lynch, Caterpillar, and the United Nations to help them link health promotion objectives to business outcomes.

**Q** Tell me a little bit about the history of Townsend. I understand your father started the company and was quite a unique individual.

**TOWNSEND:** I am very proud of my father and how we got to where we are today. He certainly did not start off as what other people would describe as a successful individual. At age 35, he worked three jobs a day—one of those in my grandfather's blacksmith shop known as Star Machinery and Blacksmith Company. My father tells the story that the original shop exists on what is currently the site of the men's room of the Embassy Suites Hotel in downtown Des Moines. Originally, the shop was sort of a fix-it shop. Local businesses would call to have broken widgets fixed. One day, my grandfather sent my father out on a job at the local meatpacking plant. I have no idea what was broken, but it was my father's first introduction to the food processing industry. He came away from that job saying to those around him that he had seen an operation on which he could improve—he could find a better way. And over the course

of time, finding a better way became the company's motto.

He worked long hours at night, very Horatio Alger in nature, and developed a machine that would take the skin off of pork cuts. Unbeknownst to him, the entire industry had been working unsuccessfully for decades, trying to accomplish such a goal. My father created a device that he thought would get the job done. He put it in the back of the family pickup truck and drove to Chicago. There, he literally went through the phone book, picking the first name on the list—Armour—and took his machine to them, asking if they would try it out. He came back to Des Moines and waited for their call. It never came.

Eventually, he got tired of waiting and drove back to find his machine, which Armour had left in a salt seller, rusting. He loaded his machine back in his pickup truck, went back to the same phone booth, and this time starting at the end of the alphabet—Wilson. The Wilson folks worked with him. He made a number of trips back and forth, cutting through a long process. A year or two later, they gave my father an award for the best technological



advancement of the decade. And that's how Townsend Engineering got its start. We now have customers in over 100 countries.

"WE PROMISE TO MAKE DECISIONS AT EVERY LEVEL OF OUR COMPANY BASED ON WHAT'S GOOD FOR THE WHOLE COMPANY, NOT ONE INDIVIDUAL, NOT ONE DEPARTMENT; THE WHOLE FIRM — THAT'S HOW DECISIONS GET MADE."

**Ted Townsend,  
CEO, Townsend Engineering**

Ted Townsend, 54, is the president and owner of Townsend Engineering Co., a privately held Des Moines-based multi-million-dollar company, which makes food-processing equipment distributed in over 100 countries. Ted's father, Ray Townsend, a former repairman, founded the company in 1956.

The only son of Ray and Cleda Townsend, Ted spent his childhood traveling the world. According to Ted, it is likely he was the person from Iowa to plant the state flag at the North Pole.

After graduating from Lincoln High School in Des Moines, Ted studied at Texas Christian University and Drake University before graduating in 1971 with a bachelor's degree in finance from the University of Iowa. While at the University of Iowa, Townsend worked three days a week at the family company as he prepared to be the future owner.

Wholly devoted to Townsend Engineering, Ted has built a reputation of being compassionate, honest, and goal-oriented.

Dad, who's now 90, is here everyday working with his own engineering design team. Out of necessity, we have expanded rather dramatically the engineering department and the number of people working on new products over the last 15 years or so, but in his heart and soul my father is a machinist on our shop floor.

**Q • Innovation appears to be integral to your company. Tell me a little bit about the patents your father holds.**

**TOWNSEND:** The first one is the one we just talked about, and was developed in 1946. In 1963, he developed the machine that the world uses to make sausage. And in 1974, it was the machine that the world uses to inject a range of meat products to extend shelf life and provide flavor. All three of his inventions are still being used today.

**Q • Tell me a little bit about the unique culture at Townsend.**

**TOWNSEND:** Our employment contract is paperless and consists of two statements. First, we promise to make decisions at every level of the company based on what's good for the entire company—not just one individual or one department. Second, we promise that if the company succeeds, we all

share in that success. And that's it; that's the deal. If you come to work at Townsend, that's what we promise.

**Q • Describe how Townsend's unique culture has affected employee turnover.**

**TOWNSEND:** In my time with the company, we've had only three people leave us. Of course, you have people move on—they move to a new state, or they change industries, or something like that. But we've had only three of those in my life with this company, and all three of them were back to us within six weeks.

**Q • Because of Townsend's unique history, it must go without saying that the company is in your blood?**

**TOWNSEND:** Yes. The company officially opened in 1946. I was born in '48 and have grown up at my father's elbow learning everything he knew. I was the kid who held the light as my father did the work around the house. We've taken that approach through the entire firm. Everybody here knows their jobs much better than I'll ever understand. But what we've created is an atmosphere where employees have the freedom and motivation to do their very best. That's the heart of our corporate culture. People here know that when they apply themselves, they'll collectively be rewarded, and you can't buy an attitude like that.

**Q • What types of incentives does Townsend offer its employees in terms of nurturing the organization's culture?**

**TOWNSEND:** We start with an attitude that the professional environment is much more important than most people will recognize.



It's very important—if we're going to lead comfortable, productive, fulfilling lives—that we have a work environment which allows us to be creative. So on large and small scales, we try to find a range of things that make people thrilled to work in this environment and with their fellow employees.

"WE START WITH AN ATTITUDE THAT SAYS THAT PROFESSIONAL ENVIRONMENT IS MUCH MORE IMPORTANT THAN MOST PEOPLE WILL RECOGNIZE. SO IT'S VERY IMPORTANT—IF WE'RE GOING TO LEAD COMFORTABLE, PRODUCTIVE, FULFILLING LIVES—THAT WE HAVE A WORK ENVIRONMENT WHICH ALLOWS US TO BE CREATIVE."

We have what we call, "The Company Trip." Our so-called company trips began with my father and the other two employees driving to Minnesota for a weekend of fishing. As the company continued to grow, spouses were included, and we've been to Hawaii three times; the Bahamas; Florida; Las Vegas a couple of times; as well as Palm Springs, California. Most recently, we took 610 people to Puerto Rico. That was a real milestone for the company trip because, for the first time, we took everybody we employ from around the world.

**Q** • Tell me how you see Townsend's culture affecting the decision-making process within the company.

**TOWNSEND:** Our basic approach to decision-making involves the entire firm. You can't hide at Townsend Engineering. People here pull their weight, and if they don't, the folks around them discuss it with them. Ninety-nine percent of the time, when everybody around the table has added their two cents, the right decision is obvious. Not

always, but generally, our employees' two cents impacts the decision makers and great things happen.

**Q** • I understand that your company has a unique bonus program. Tell me about the program.

**TOWNSEND:** Our view of life is that every individual is more valuable to Townsend than to any other employer in the world. So we do everything we can think of to be certain that our people have the most comfortable lifestyles imaginable. Our program is called the Attitude Bonus Bag (I am not all that proud of its name, but it functions pretty well). It's been around for 25 years, maybe 30—although we've had a number of different programs. The way it works is that every time we ship a machine—when everybody in the firm has done their job—from design to engineering to manufacturing to shipping—and depending on the cost and the price of that machine, a certain bounty goes into the kitty—the bonus bag. Every six months we take the total amount of money in the bag and divide it equally by the total number of employees and we have a little celebration where everybody gets a check.

**Q** • How would you say Townsend's unique culture has permeated the entire organization—top to bottom?

**TOWNSEND:** Everybody gets the same thing with exception of yours truly. Ownership precludes participation. If I may, let me share just some of the little ones. Everybody in the firm, once a year, has the opportunity to send flowers to anyone of their choice. They put their name on the card, and all we do is pay for it. It's a little thing, but it's powerful in terms of their daily lifestyle.

Additionally, everybody here has their own parking space with their name on it. Is it a



big deal? In the overall scheme of things it ought to be nothing, but it's enormous.

I would also bet we were the first company in America to provide free confidential AIDS testing. You simply go to the local hospital, identify yourself as a Townsend employee, and everything is taken care of.

“EVERYBODY IN THIS FIRM HAS THEIR OWN SPECIFIC PARKING PLACE WITH THEIR NAME ON IT. IS IT A BIG DEAL? IN THE OVERALL SCHEME OF THINGS IT OUGHT TO BE NOTHING, BUT IT'S ENORMOUS.”

Next, we have what we call our Personal Fitness Profile where everybody in the company, every two or three years, gets a five-hour physical at company expense, and on company time.

We also have a deal where if employees, on their own time, have had a bit too much to drink, they can call a taxi cab to get home safely. All employees need to do is present the receipt and we reimburse them—no questions asked.

Finally, we insure that employees with babies get the highest quality car seat on the market.

We've got a long list of little things like these. Collectively, they've created an environment that says we (meaning all the people in this company) care about each other. And when things go wrong, people stand up for one another.

**Q** • Tell me about the wellness facility at Townsend Engineering. I understand it's a 30,000 square foot building for 170 employees.

**TOWNSEND:** We intended to build a racquetball court, but it just continued to grow. Our facility now has two racquetball

courts, two indoor tennis courts, six basketball courts, a heavy duty weight room, an aerobic dance area, showers with towels and toiletries provided, saunas, a roller skating rink, and four bowling lanes.

**Q** • As an individual who's charged with leading this company, and considering the brilliant legacy behind you and the opportunities ahead, what burden do you feel in leading the company?

**TOWNSEND:** First of all, our management team is much better prepared than I am to do the job you've just described, and that's what gives me the chance to sleep at night. I've spent the last 10 or 15 years of my life preparing this firm to work without me. I have absolute confidence that the management team understands how I would handle the personnel issues that arrive daily, if I weren't around.

The second part of your question, what am I doing today to seize the future? Well, frankly, it's one of the biggest challenges I have to face, because the culture here is rock solid. I don't know exactly when, but eventually our whole team here has to find a way to transition the firm into the next generation of ownership and maintain the corporate culture. That's a challenge, because there aren't many companies out there that do these sorts of things. As we all know, you can talk about interviews and you can talk about culture, and you can plead and do everything you can to find the right people to embrace the ideas, but there's going to come a time someday when I sign my name on a line and from that moment forward I will have no influence whatsoever. I'm not comfortable with that fact; I just know it is one, and we're doing our best to find a way that the day after I sign my name, Townsend stays what Townsend has become. It's not easy.





"WE'VE SAID FROM THE BEGINNING—  
YOU CANNOT GET IN TROUBLE AT TOWNSEND  
FOR SPEAKING THE TRUTH, NO MATTER  
HOW UNPOPULAR IT MAY BE.  
WITH THAT IN MIND, WE GET TO THE CORE  
OF DECISION MAKING FASTER THAN  
A LOT OF PEOPLE MIGHT."

**Q** What would you say is  
• at the very heart of  
• Townsend's unique  
corporate culture?

**TOWNSEND:** One of our mottos around here is, "Truth Rules," meaning, sometimes the greatest challenge in life is deciding what we believe to be the truth. Our first obligation is to define the truth. Our second obligation is to share it with everybody around here. We've said from the beginning you cannot get in trouble at Townsend for speaking the truth, no matter how unpopular it may be. With that in mind, we get to the core of decision making faster than many people might.

**Q** Would you say  
• that Townsend's  
• "Truth Rules" philos-  
ophy helps maintain the group  
dynamic there?

**TOWNSEND:** Absolutely. We're still a group of human beings, so we all develop emotions. We all feel jealousy and anger and fear and all those things that drive mankind. But if truth rules, we collectively have the guts to put those issues on the table and deal with them eye to eye as individual human beings.



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# Townsend Quick Facts

Townsend Engineering, manufacturers of meat processing equipment, was founded by Ray Townsend in 1946. 90% of the hot dogs we eat are produced in the machines they make. Ray invented the Frank-A-Matic in the 1960s producing 36,000 hot dogs an hour then—and over 56,000 hot dogs per hour today. Townsend holds over 100 US patents and is a charter member of the Iowa Inventors Hall of Fame. Townsend Engineering has grown from its initial four employees to 170 today, and employs another 50 at a plant in Holland.

## ***Here are Just Some of Townsend's Wellness Features***

### **Townsend Recreational Athletic Center (TRAC)**

In 1978 Ray Townsend built a 30,000 square foot wellness facility which includes an aerobic studio, weight room, a gym with two basketball courts, a fitness testing room, two racquetball courts, space for childcare, a 4-lane bowling alley, a pool table, a game room, and a running trail. Locker rooms are equipped with toiletries and towels. Men's and women's saunas are also available. The facility is open to employees and all their family members. Children 14 and older can come without their parents, and they can even bring a friend.

### **Attitude Bonus Bag**

Every time a product is shipped successfully, money is added to the "Attitude Bonus Bag." An electronic board posts the dollar amount of the bonus, which is split evenly among all employees every six months. In recent years, bonuses have ranged from \$400 to \$1000 per person.

### **Compressed Work Week**

Plant workers work four 10-hour days and take Fridays off. Office workers work a regular five-day week.

### **Diplomat Exchange Program**

Each year there's a drawing for a one-week trip to Holland for a Des Moines employee and spouse. At the plant in Holland, someone wins a trip to the US. Winners often take additional vacation time to take full advantage of the free flights.

### **Flowers Galore**

Employees receive flowers on the anniversary of their employment at Townsend. In addition, each employee has \$80 to use for flowers each year—a benefit which gets a lot of use on Valentine's Day.

### **AloHA!**

Townsend employees and their spouses have been on many company trips to places like Hawaii and the Bahamas. Ted recently took his employees to Puerto Rico where they stayed at a plush resort called the "El Conquistador." Employees from Holland joined them.

### **Corporate Fitness Program**

Bill Tamasi, TRAC Director, works closely with Kim Miller, Fitness Director. Newly-hired employees receive a free complete physical exam, including extensive lab tests at a local hospital done on company time. Regular screening tests for cholesterol, skin, hearing, eye, foot and ankle, prostate, and blood pressure are offered to employees on site. They also provide flu and tetanus shots, and sponsor blood drives. Volleyball, basketball, golf, racquetball, walleyball, and bowling leagues are sponsored by TRAC.





### **Lunch-n-Learns**

Topics like parenting, nutrition, safety, living wills, cooking, stress management, and cholesterol are covered during these lunch-n-learns. Attendance ranges from 5 to 25 employees.

### **Summer Activities For Employees And Families**

Each summer, TRAC sponsors a canoe, a bike, and a camping trip that usually attracts 40 to 50 participants.

### **Financial Planning Seminars**

These are offered in the evening so that spouses of employees can attend. Babysitting is provided.

### **Social Events**

Family movie nights and card game tournaments after work are regular events. The bowling alley can be reserved for kids' birthday parties.

### **Aerobics Classes**

These are offered three to four days per week over the noon hour. They last for 30 minutes, giving participants just enough time to shower, change, and grab a quick lunch. TRAC also has classes in the evening and one class on Saturday mornings. Childcare is provided.

### **Communication**

A calendar listing all wellness events is mailed to employees every month. Events are also promoted via bulletin boards, flyers, sign line, e-mail, and the company newsletter.

### **Data Collection**

The TRAC staff conducts employee interest surveys, evaluations of programs before and after implementation, and keeps attendance data. The company gets aggregate results from the screening tests they offer.

### **80% Participation**

That's right—80% of the employees come to the TRAC facility at one time or another for something, from an occasional lunch-n-learn to daily use of a treadmill.

### **So Is This Heaven Or What?**

Even with the tremendous programs and support at Townsend, Bill Tamasi still faces the same fundamental problems any wellness coordinator does. He says, "Lack of time is the major obstacle individuals list for not continuing exercise programs, and I feel that's the biggest frustration."

His advice to other wellness professionals? "Don't be afraid to be creative. Having a wide variety of programs is essential in order to fulfill the many dimensions of wellness."

Feeling a little discouraged about your wellness program after reading about Townsend? Don't. Remember that they've been dedicated to employee wellness for all of their 50 years, with full management backing the whole time. Use their outstanding example for inspiration, programming, and policy ideas. Companies with a vision in health promotion will live long and prosper in the new millennium, as the value of employee wellness becomes crystal clear in the corporate world.