RETAIL SUPPLY CHAIN
CONFERENCE 2017
THE CUSTOMER CENTRIC SUPPLY CHAIN
A NEW TALENT SOLUTION:
Disability Hiring for the Supply Chain & Retail

Presenters:
Howard Green  Deputy Director, Professional Services,
              National Organization on Disability (NOD)
Duane Rohr –  Manager – Workforce Initiatives, CVS Health
Chris Dillon -  Diversity Initiatives Consultant, Diversity & Inclusion, Walgreens
NATIONAL ORGANIZATION ON DISABILITY: 35 Years of Advancing Opportunities for People with Disabilities

PROFILE & APPROACH

MISSION & FOCUS

• Social Enterprise: professional services to employers
• Subject matter expert, changing policy and practice
• Innovate
• Demonstrate
• Evaluate
• Communicate

Expand the participation and contribution of the 57 million Americans with disabilities — with a focus on employment.
Disability in America

Only 20% of working aged Americans with disabilities participate in the labor force vs. 68% of those without disabilities
2016 US Dept of Labor, Office of Disability Employment Policy

Over 4.7 million college graduates have a disability, but only 25% are employed vs. 76% of those without disabilities
Meet Cecelia

How would you describe Cecelia?

What are your perceptions?
Now Describe Cecelia

How have your perceptions changed?
Now, Describe Cecelia
LISTENING TO BUSINESSES AND THEIR NEEDS

Employer Feedback

<table>
<thead>
<tr>
<th>Employer #1</th>
<th>&quot;I wanted to hire workers with disabilities and agreed to work with a local agency, but it took too long for them to find any candidates.&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer #2</td>
<td>&quot;I wish I had a real community partner who understood my needs and wanted to meet my objectives --- not theirs!&quot;</td>
</tr>
<tr>
<td>Employer #3</td>
<td>&quot;It seems my company has to go looking for the partners in the community, and it is confusing. It would be nice to work with one organization that would manage this for us.&quot;</td>
</tr>
<tr>
<td>Employer #4</td>
<td>&quot;I expect more people with disabilities could secure employment if more programs worked together.&quot;</td>
</tr>
<tr>
<td>Employer #5</td>
<td>&quot;We worked with an agency, but they couldn’t deliver the talent and when we expressed frustration, they said they couldn’t really help us and then we never heard from them again.&quot;</td>
</tr>
<tr>
<td>Employer #6</td>
<td>&quot;Help, where do I start? I need help navigating the system.&quot;</td>
</tr>
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RILA
Retail Industry Leadership Association
Educate. Collaborate. Advocate.
DISABILITY WORKFORCE INCLUSION IS AN INCREASING PRIORITY FOR EMPLOYERS

Corporate Value at Stake

<table>
<thead>
<tr>
<th>CSR</th>
<th>DOCUMENTED SUCCESS</th>
<th>RACE FOR TALENT</th>
<th>COMPLIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>87% of consumers would prefer to give their business to companies that hire people w/ disabilities*</td>
<td>Employers that hire people w/ disabilities report strong ROI, including improved employee engagement, across their workforce</td>
<td>Filling the 47 million employee US talent shortage—14 million new jobs and 33 million retiring boomers—will lead companies to seek out new labor sources</td>
<td>Regulations now require federal contractors to set a goal of having employees with disabilities account for 7% of their workforce**</td>
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</tbody>
</table>

New US Labor Department “Section 503” and “VEVRAA” rules represent farthest reaching disability employment policy change since the ADA. With federal contractors employing 25% of the nation’s workforce, meeting 503 and VEVRAA goals would create 600,000 job opportunities for people with disabilities and 200,000 opportunities for veterans.


** See http://www.nod.org/resources/compliance.html
DISABILITY IS DIVERSITY

- Largest minority group in the United States
- Touches all segments of the diversity spectrum
- 90% have an invisible disability
- 83% acquire a disability later in life

Sources: DiversityInc, www.invisibleillness.com

People with Disabilities 20%

- Caucasian 63.4%
- Hispanic 16.7%
- African American 13.1%
- Asian/Pacific Islander 5%
- LGBT 3.4%
- American Indian/Alaskan 1.2%

DISABILITY IS ONE OF THE MOST COMPLEX DIVERSITY SEGMENTS TO HIRE...

Both sides present challenges

- Hard to access quality talent pools among a highly fragmented landscape of regional agencies
- Challenge forming reliable partnerships due to sourcing agencies’ different operational cultures and metrics
- Lack of proper onboarding, assimilation and support, which threatens employee retention
- Inadequate attention to accessibility, accommodation, policy and HR practice to sustain results for the long run

The National Organization on Disability bridges the gap between people with disabilities who want to work and the businesses who want to employ them
WHICH STAGE ARE YOU?

1. EXPLORATION
   - Internal Discussions
   - External Scanning
   - Associations/Memberships
   - Conferences

2. COMPLIANCE
   - Hiring & Retention Target
   - Surveying Workforce
   - Reporting
   - Exploring Pilots

3. COMPETENCE
   - C-Suite Topic
   - Business Imperative
   - Active Hiring & Disclosure Campaigns
   - Leader Accountability

4. COMPETITIVE ADVANTAGE
   - Board-Level Topic
   - Strategic Workforce Plan
   - Embedded Policies & Practices
   - Business Results
   - Renowned Leader
BRIDGES TO A BETTER WORKFORCE

A proven demand-driven model

From 2010-2015, NOD helped sixteen Fortune 1000 companies mount disability employment programs

“Of all the programs designed to place people with disabilities in employment that [we have] evaluated to date, Bridges demonstrated the greatest success in job placement...

“Bridges’ demand-driven approach to filling positions – starting with the company’s job openings...means that employers do not have to sacrifice performance.”

- JOHN J. HELDRICH CENTER FOR WORKFORCE DEVELOPMENT AT RUTGERS UNIVERSITY

Ongoing impact

New Hires with Disabilities at Major Retailer

Results: Average wages 40% above minimum + bonus + benefits

Performance:
- Absences ≤ other employees
- ≥ Retention
- = Productivity
BUSINESS STRATEGIES THAT WORK

- WHAT IS THE THIRD LARGEST MARKET SEGMENT IN THE US???

- PEOPLE WITH DISABILITIES

- SMART BUSINESSES WANT TO BE A PART OF THIS!

- WORKERS WITH DISABILITIES CAN:
  - HELP UNDERSTAND THE CUSTOMER BASE
  - PROVIDE FLEXIBLE, INNOVATIVE THINKING
  - CONSUMERS FAVOR BUSINESSES WHO EMPLOY PEOPLE WITH DISABILITIES
THE BUSINESS CASE: RETURN ON INVESTMENT

- Performance of Individuals with Disabilities Compared to Non-Disabled Colleagues

<table>
<thead>
<tr>
<th>Category</th>
<th>More</th>
<th>Same</th>
<th>Less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedication</td>
<td>35%</td>
<td>62%</td>
<td>2%</td>
</tr>
<tr>
<td>Flexibility to adapt to new situations</td>
<td>16%</td>
<td>67%</td>
<td>16%</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>14%</td>
<td>71%</td>
<td>13%</td>
</tr>
<tr>
<td>Ability to acquire new skills</td>
<td>7%</td>
<td>81%</td>
<td>10%</td>
</tr>
<tr>
<td>Turnover</td>
<td>7%</td>
<td>58%</td>
<td>33%</td>
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</table>

Over one third of managers report employees with disabilities have greater tenure and are more dedicated to their work.

- SHRM states that the average cost to replace an employee is **30% of salary and benefits**.
- Assuming a salary of $40,000 – it costs approximately **$12,000 to replace an employee** you lose.
- If you lose 50 people a year approximate replacement costs could **exceed $600,000**

Source: NOD –Kessler/Harris Poll 2010
### LEADING BUSINESSES ARE SETTING THE PACE

<table>
<thead>
<tr>
<th>Business</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Walgreens</strong></td>
<td>Disability hiring programs in distribution and retail stores, including the REDI program.</td>
</tr>
<tr>
<td><strong>Starbucks</strong></td>
<td>Creating opportunities in their stores and distribution centers for candidates with disabilities. Created an Inclusion Academy dedicated to training workers with disabilities.</td>
</tr>
<tr>
<td><strong>REI</strong></td>
<td>Expanding their connections with community sourcing partners in both the retail stores and distribution centers.</td>
</tr>
<tr>
<td><strong>AMC Theatres</strong></td>
<td>Working to improve their ability to recruit and hire as well as working on job coaching guidelines. Achieved over 1,000 new hires with disabilities in 350 + theatres.</td>
</tr>
<tr>
<td><strong>Best Buy</strong></td>
<td>Using the Walgreens model in their distribution centers, as well as their retail stores. Some sites have a program specifically for individuals who are deaf.</td>
</tr>
<tr>
<td><strong>Office Max</strong></td>
<td>Creating jobs for talent with disabilities in distribution centers &amp; retail stores in four states, NV, IL, MD &amp; AL.</td>
</tr>
<tr>
<td><strong>CVS</strong></td>
<td>Developing partnerships with local organization to train and hire candidates with disabilities in their stores.</td>
</tr>
<tr>
<td><strong>Sodexo</strong></td>
<td>Leader in diversity and ranks in the top 10 for hiring people with disabilities.</td>
</tr>
<tr>
<td><strong>Wal-Mart/Sam’s Club</strong></td>
<td>Working to increase their disability hiring, while developing relationships with many local sourcing partners.</td>
</tr>
<tr>
<td><strong>Lowe’s</strong></td>
<td>Modeled program after Walgreens and are building partnerships with local sourcing partners for retail stores and distribution centers.</td>
</tr>
<tr>
<td><strong>Kroger</strong></td>
<td>Working to expand their retail disability hiring initiative across the country.</td>
</tr>
<tr>
<td><strong>Toys“R”Us</strong></td>
<td>Expanding their retail disability hiring program.</td>
</tr>
</tbody>
</table>
TOP 10 REASONS EMPLOYERS HIRE TALENT WITH DISABILITIES

1. Employees with disabilities can ease concerns about labor supply.

2. People with disabilities have equal job performance ratings, higher retention rates and lower absenteeism.

3. Employees with disabilities can relate better to customers with disabilities, who represent $1 trillion in annual aggregate consumer spending.

4. Diverse work groups can create better solutions to business challenges.

5. People with disabilities are increasingly graduating from high school and attending college, and are proven to have met and/or exceeded challenges.
TOP 10 REASONS EMPLOYERS HIRE TALENT WITH DISABILITIES

6. A person with a disability motivates work groups and increases productivity.

7. Companies that hire and accommodate people with disabilities in their workplaces can receive tax benefits.

8. Employing people with disabilities is good for the individual, the business, and society. This is a "win-win-win" strategy.

9. People with disabilities are motivated by the desire to give something back, and opportunities for personal growth, job flexibility, and social inclusion.

10. It's ability, not disability, that counts.
Workforce Initiatives
Building Partnerships for a Healthy Workforce
Living Our Purpose

We help people on their path to better health by cultivating innovative partnerships and programs that attract and equip diverse talent for dynamic and rewarding careers with CVS Health.

In our communities, we help to break the cycle of poverty and dependence through our support of education, training, healthy living and career opportunities.

As a pharmacy innovation company, we explore new and creative ways to deliver on our purpose. We operate as a cutting edge workforce development and community health care leader as we build "partnerships for a healthy workforce."
Workforce Initiatives:
Partnerships Make it Possible!

By partnering with many national, state and local government agencies, as well as several private, educational and faith-based organizations, we have successfully provided career opportunities within communities where we do business. These partnerships reflect CVS Health's corporate-wide commitment to diversity and disability inclusion. Our major areas of focus include:

- Military Alliances
- Abilities in Abundance
- Talent is Ageless
- Pathways to Health Care Careers

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Abilities In Abundance

**THE CHALLENGE**

- Approximately 54 million Americans have at least one disability.
- Unemployment rate is over twice that of non-disabled people.
- Individuals with disabilities are the largest minority in the country.

**THE SOLUTION**

- Workforce Initiatives partners with 23 national, state and local Abilities in Abundance partners.
- These partnerships have created more than 300 jobs for individuals with disabilities.
- Our recent collaboration with DARS and WWRC in Virginia resulted in 12 hires in 2016.

**MOCK TRAINING STORES**

- Customer Service Skills
- Register Skills
- Merchandising Skills
- Backroom Organization
- Externship
- Application process
- VJT Assessment
REDI: Retail Employees with Disabilities Initiative
TWG and REDI HISTORY

Began with Charles Walgreens’ strong commitment to creating equal opportunity and was inspired by Senior Vice President of Distribution & Logistics’ vision to create a work environment inclusive to people with disabilities.

- **Launched TWG (Transitional Work Group) in Distribution Center in Anderson, South Carolina:** makes a commitment to hire 1/3 of workforce as people with disabilities.
- **2007**

- **Walgreens gets approval to build new Distribution Center in Windsor, CT:** makes the same commitment to hire people with disabilities.
- **2010**

- **Expanded to Houston, New York and Connecticut before being launched nationally.**

- **2012**

- **Launched REDI (Retail Employees with Disabilities Initiative) in Dallas, Fort Worth**
REDI is:

• An **in-store training program** for people with disabilities to gain retail/customer service skills, so they can potentially become a qualified applicant for Walgreens.

• Walgreens REDI partners with community-based and government agencies to provide retail skills training for people with disabilities.

• Designed for people with disabilities who might otherwise not be considered qualified without the additional training provided by the program.
REDI is **NOT:**

- An arrangement with a high school or community agency to give students/clients the “experience” of retail (work experience).

- A guarantee of employment for the externs.

- A requirement for all people with disabilities to be hired.
The goals of the REDI program are:

• Develop a **sustainable and repeatable** model to create a pool of qualified candidates with disabilities for Customer Service Associate jobs

• **Standardize** training curriculum in our stores on primary competencies and skills for the Customer Service Associate role

• Increase the employability of people with disabilities hence a positive impact on the unemployment rate among that **talent pool**

• Support our mission to promote health and wellness in the communities in which we operate.
Agency provides:

- Secure the necessary resources to execute training program in our stores (e.g., funding, job coach, externs, proof of insurance, etc.)
- Obtain private and public funding sources
- On-site coaching for the duration of the training

Walgreens provides:

- In-store training site (OJT)
- Training curriculum for job coaches and externs
- Skills evaluation
- Job-ready retail expertise
https://extwebapp.walgreens.com/DisabilityHiring/pwd/navREDI#
Once training is complete:

- An evaluation score of 3.0 or higher
- REDI externs complete application and bypass assessment
- REDI externs can apply to the CSA role at training store or other site in district

Consider which Walgreens site

Apply for CSA role

Other Options*

*Best Buy, Office Max, & TJ Maxx being the biggest recipients of REDI Graduates outside of Walgreens.
## REDI – PROGRAM OUTCOMES

<table>
<thead>
<tr>
<th>REDI Stores</th>
<th>REDI States</th>
<th>REDI Providers</th>
<th>REDI Trained</th>
<th>REDI Recommended</th>
<th>REDI Hires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 180</td>
<td>26</td>
<td>162</td>
<td>Over 1300</td>
<td>Over 870</td>
<td>Over 180</td>
</tr>
</tbody>
</table>

- 67% of REDI participants are recommended
- 21% recommended REDI participants are hired by Walgreens
- The REDI program is continuing to expand to more stores

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QUESTIONS?

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