

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

Profiled in this chapter:

- Walgreens Distribution Centers
- Lockheed Martin's Seamless Transition Apprenticeship Program

This chapter discusses the potential of large national employers seeking to establish targeted disability employment initiatives as a phenomenon generating hundreds of new job opportunities. These opportunities require extensive, sophisticated partnerships with local providers and agencies that find they must navigate and work out complex arrangements with global corporations. The collaborations described in this chapter are particularly important in showing models of effective practices and policies for provider agencies developing relationships and responsibilities with major employers. The cases also demonstrate to employers how to rethink their workforce practices to attract talented workers with disabilities, and provide the training and supports that retain valued workers.

The first profile describes how a major global retail firm, Walgreens, spearheaded a disability employment initiative at two new distribution centers in South Carolina and Connecticut. State and local government agencies, local community service providers, and Walgreens arrived at a successful system for hiring people with significant cognitive disabilities to staff more than one third of the workforce at its distribution centers in two locations. These developments have attracted the attention of other large national brand retailers that have met with Walgreens and its partners to learn more about the program. Walgreens has also expanded this practice to additional distribution centers.

The second profile provides a brief overview of Lockheed Martin's success in establishing the Seamless Transition Apprenticeship Program (STAP) to recruit and train injured veterans for career path jobs. STAP's success required Lockheed Martin to forge innovative collaborations with the U.S. Department of Veterans Affairs, Walter Reed Army Medical Center, and the Wounded Warriors advocacy group. Despite the global scope, complexity, and diversity of Lockheed Martin's operations, the firm has carved out niche career and training paths for veterans with significant disabilities.

As the research will demonstrate, both of these cases are partnerships that work well to effectively engage public- and private-sector organizations and funding in a sustainable initiative that succeeds in its goal to generate employment in private markets by meeting employer workforce needs.

Walgreens Distribution Centers: How Walgreens Opened the Door

Introduction

Walgreens is the nation's largest drugstore chain with sales of \$63 billion in 2009.⁸ In a 2009/2010 *CAREERS* and *The disABLED* magazine survey, readers ranked Walgreens second in the nation for creating a positive workplace environment for people with disabilities. It ranked sixth among food and drug stores on *Fortune's* list of the world's most admired companies, and was named a "best diversity company" in the *Diversity/Careers* magazine's readers choice survey in June/July 2009.⁹ *The Wall Street Journal* said Walgreens' "innovative program" is offering jobs "to people with mental and physical disabilities of a nature that has frequently deemed them 'unemployable,' while saving Walgreens money through automation."¹⁰ According to *Supply Chain Management Review*,¹¹ Walgreens' disability jobs initiative offers a solution to the needs of businesses faced with "an aging workforce" and "the need to redesign supply chains" to accommodate a workforce that is older, language-challenged, and has physical and mental disabilities.

How did Walgreens become recognized, and what can other organizations learn from its approach to maintaining a competitive workforce? The success of this initiative is found in the ongoing collaboration between Walgreens and organizations such as South Carolina's Anderson County Disabilities and Special Needs Board, which today coordinates activities at a Walgreens training center that prepares people with cognitive disabilities for full-time work. This chapter describes the history and practices of the innovative approaches developed in South Carolina and Connecticut and the implications of the success of these practices for the expansion of employment opportunities for people with disabilities.

"We Opened the Door": Walgreens Challenges Conventional Wisdom

It was 2002 when Randy Lewis, Senior Vice President of Supply Chain and Logistics, issued a challenge to Walgreens and its stakeholders to address the serious unemployment of people with significant disabilities while meeting the needs of their workforce and distribution supply chain. Since the company was investing in new technology to make distribution more efficient, Mr. Lewis proposed, why not create opportunities for people with disabilities? As Mr. Lewis would say later at a warehouse industry conference, Walgreens was inspired to challenge the conventional wisdom:

Now, when we started out, we started this building with the hope that we could end the belief that people with disabilities can't perform just as well as anybody else. And that has paid off... This is the first time we wanted to say, "Full-time employees, side-by-side, same standards, same pay." And that has paid off for us. We're not a charity. We only make

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

three cents on the dollar. We can be as hard-nosed as anyone, and we have shareholders that drive us just like anything else. It's not a charity. But the unkindest cut is that it is a charity. A lot of these people worked a year on their own time in a training center just to prepare them for this. We opened the door but they had to walk through and they had to earn their time there every day.¹²

Deb Russell, Walgreens Manager of Outreach and Employee Services, recounts that in 2003 the company charged James Emmett, a consultant on business and disability issues, with assisting Walgreens as it studied the implications of the disability employment initiative for its human resource policies and operations. Emmett advised Walgreens on disability etiquette in the workplace, and reinforced the principle that people with disabilities can be valued employees. He further advised Walgreens to establish partnerships with local agencies in the workforce, vocational rehabilitation, and disability services systems to assist the company in outreach, recruitment, training, and support for employees with disabilities. Emmett was subsequently hired as a Walgreens employee.

Based on this recommendation, in 2003, Walgreens established a goal that one third of the workforce at new high-tech distribution centers that the company planned to open would be employees with disabilities, in particular, workers with intellectual and developmental disabilities. In fact, since these new distribution centers would be greenfield operations (built and designed new), they would be designed to incorporate process technologies that would enable the widest spectrum of individuals to perform various jobs in the centers. Later that same year, Walgreens began to seek local partners at potential sites for the new distribution centers to assist the company in meeting its disability employment goals.

Walgreens subsequently located new distribution centers in Anderson, South Carolina and Windsor, Connecticut in part based on having willing, capable partners to assist in the recruitment, training, and retention of employees with disabilities. The planning occurred over three years.

"Throughout the planning of this initiative, we held the belief that people with disabilities, given the right training and support, could work as fast, as accurately and as safely as our current workforce. In addition, we believed that people with significant disabilities could work full-time jobs and be on time. We have seen this proven to be true in all of our buildings; the higher our expectations, the more our workers with disabilities achieved."

Randy Lewis, Walgreens

“If You Don’t Share the Vision, You Can’t Be A Partner”: A Commitment from the South Carolina Disability System Partners — The South Carolina Experience

In 2003, Walgreens began the design and development of its new \$175 million distribution center in the southeastern United States. Walgreens’ policy was to open recruitment to a wide spectrum of workers with disabilities, including those with significant intellectual and developmental disabilities, such as autism. Walgreens first contacted the South Carolina Anderson County Economic Development Office as well as other economic development offices in the southeast regarding the potential development of the distribution center. The company specifically noted that it needed assistance in recruiting employees with disabilities. As a result of the company’s request, the Anderson County Economic Development Office asked Dale Thompson, Executive Director of the Anderson County Disability and Special Needs Board, and Robert Oppermann, Director of the regional vocational rehabilitation office, to prepare a presentation on strategies to train people with disabilities to meet an unnamed employer’s workforce needs. Mr. Thompson and Mr. Oppermann made the presentation to economic development officials and Walgreens representatives in November 2003 and were subsequently asked to visit Walgreens’ corporate headquarters in Chicago for more detailed discussions on training strategies. At the Chicago meeting, Walgreens executives explained that the company was seeking to hire approximately 250 employees with disabilities at its new distribution center, which would be equipped with new technology to improve the center’s productivity.

Additionally, the Walgreens executives noted that job specifications for employees with disabilities would mirror those for all employees, and would pay comparable salaries and benefits. Walgreens officials asked if Mr. Thompson and Mr. Oppermann would agree to enter into a partnership with Walgreens and take the lead on recruiting, screening, training, and supporting employees with disabilities at the new distribution center. They agreed that they would. Mr. Thompson noted that his willingness to take on this challenge was due to his belief that “if you do not respond to an extraordinary opportunity like this for the people you serve, you don’t belong in the business.”

Walgreens drew up a list of principles it holds for its disability agency partners. It expected the company’s partners to:

1. “Share our vision of people with disabilities working side by side with other workers doing equal work for equal pay;
2. Be interested in increasing the employment rate of people with disabilities;
3. Understand their own capability to work with us to achieve the vision;

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

4. Be invested in learning how we do business in order to create an understanding of characteristics, skills, and supports for people with disabilities to be successful as Walgreens employees;
5. Be open to trying new methods to accomplish the vision and to use problem solving to find effective ways to success;
6. Believe that the people they serve can work in a competitive setting and meet the standards set by our company;
7. Provide the support needed for their clients to be successful (this can include training, job coaching, and helping Walgreens learn how to support the individual);
8. Share the same high standards of conduct for their staff; and
9. Commit to clear and timely communication in whatever timeframes are established.”¹³

The Anderson County Disability and Special Needs (DSN) Board serves a total of 350 people. Thompson identified partner agencies to create a pool of potential workers large enough to meet Walgreens’ goal. He recruited the DSN boards from Greenville, Pickens, and Oconee Counties, and the school districts in Anderson County, to participate in a partnership with the Anderson County DSN Board and the South Carolina vocational rehabilitation department. The partners agreed that the importance of the initiative required the leaders of the groups to compose and agree upon a set of common principles and values that would guide them in decision making. The following are the core points of agreement that were adopted by the partnership:

1. Each agency participating in the partnership agrees to engage the mission with all the resources, energy, and talent they can pull together...no exception.
2. Each partner agrees to commit the necessary training staff to the project.
3. Each partner agrees to use the guiding principles of person-centered choice in the project. Each training participant must choose to be part of the training process and may leave it if they choose to do so.
4. Staff resources committed to the project must complete required training regimens and demonstrate competencies (related to the Walgreen’s training curriculum) before being assigned to the project. Any staff from any partner not meeting acceptable guidelines (of either Walgreens or the partners) is to be reassigned elsewhere.
5. We agree that no hiring quota will be utilized. The “first ready” to go worker candidates will be the first into the distribution center for the employment trial period regardless of which agency serves them.

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

6. We agree to jointly develop a pre-screening tool to be used consistently across all partners to ensure the referral of consistent worker candidates.
7. We agree that walk-in referrals meeting our state eligibility criteria can receive training and support.
8. We agree to commit transit resources to support our workers getting to and from the workplace and training facility.
9. We agree to meet periodically with Walgreens distribution center staff and among ourselves to resolve problems.
10. We will help one another cross train our staff to help each other as needed.
11. We will be truthful to ourselves, our families, and our consumers in what we do and will not create false expectations among them.¹⁴

Initially, Walgreens identified three mechanized jobs thought to be appropriate for individuals with cognitive disabilities — Case Check-In, AKL Pick to Light, and Detrash. In the end, the company learned that employees with cognitive disabilities could do all types of jobs, not just these three.

In order to provide the skills and social training required for individuals with disabilities to apply to work at the Walgreens distribution center, the partners set up a training center, which is coordinated by the Anderson County DNS Board. The partners first became involved in the idea of a training center when they provided assistance to Walgreens on designing and producing a training curriculum to prepare people with cognitive disabilities for three standard positions in the distribution center. Walgreens defined the jobs as: (1) requiring independent functioning, (2) relying on interaction with computers, (3) requiring some amount of exception handling, and (4) requiring high productivity and accuracy. Cross-training for temporary assignments is the norm.¹⁵

Walgreens and the partners accessed specialized training from the University of North Carolina Medical School's Treatment and Education of Autistic and Communications Related Handicapped Children (TEACCH) program. TEACCH is an evidence-based service, training, and research program for individuals of all ages and skill levels with autism spectrum disorders. This training helped Walgreens and its partners understand how people with autism spectrum disorders learn and how to develop learning and teaching aids. The partners found that this training was also applicable to people with other types of intellectual and developmental disabilities.¹⁶

The provider group shared an overarching principle that "if you do not share the vision, you can't be a partner."

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

Walgreens provided the agencies with corporate “train the trainer” materials and specifications for the jobs. The curriculum developed by Walgreens, with input from the partners, based on a sophisticated task-analysis process, covers both skills necessary to do the respective jobs and “soft” skills to address social expectations in the workplace. Using the TEACCH approach, the curriculum minimizes written and verbal teaching and relies heavily on “iconology” (the use of symbols and pictures) for instruction. Additionally, the training process assumes that people with cognitive disabilities learn best by doing. The curriculum and training process were written into training manuals.

The training was designed to prepare employees for the distribution workflow and technology that would be deployed in the distribution center. In addition, the partnership, in concert with James Emmett, guided Walgreens in creating an accessible and inclusive environment. The center is fully wheelchair accessible and the bathrooms are designed to be comfortable for people with various types of disabilities. One national expert described the center’s application of universal design and built-in accommodations for people with disabilities as “elegant.”

The work process changes included automated guided vehicles that can be operated by people with disabilities, adjustable workstations, and a redesigned, easier-to-use computer interface. A simplified computer touch screen was developed, with fewer prompts and more descriptive pictures.¹⁷

“Our screens were way too complex,” Lewis told *Chain Store Age*, an industry publication, “so we got rid of the keyboard and are using more graphics to describe the work flow.” Equipment was also modified, making it more ergonomic. The height of some workstations was also adjusted. “We made work surfaces flexible for different heights to limit the range of motions needed to do a job,” Lewis added. “We also took away some of the heavy lifting.”¹⁸

“We found that the improvements actually benefit all distribution center employees,” Lewis told *Chain Store Age*. “It’s easier and quicker to train all employees on how to use the system. Also, some of the changes we’ve made have given us the added benefit of flexibility in that we can move people around the building more easily than in the past.” In other words, the result is a workplace that is worker friendly to all of its employees.¹⁹

Start-Up and Launch

The Anderson County Development Office and the South Carolina Department of Commerce provided grants to finance renovations to the training center building and other start-up costs. In addition, the Anderson County government funded initial operating costs, while Walgreens provided workstations, software, and sample products for the training center. The training center was initially located adjacent to the Anderson County DNS Board offices but was later moved into the distribution center to simplify logistics.

Due to the lack of public transportation in the area, the Anderson County DSN Board spearheaded a transportation initiative that would pick up and drop off workers with disabilities on regular routes throughout the five counties represented in the partnership.

The partnership sought and received a special state appropriation of the purchase of four buses for this transportation system. Although the system has received some grant funding from the South Carolina Department of Transportation, the Anderson County DSN Board provides the operational funding. Given the considerable expense of operating a freestanding transportation system, Dale Thompson and the partners are considering establishing a vanpool program to reduce costs. Additionally, Walgreens is promoting ride sharing for its employees and efforts will be made to include workers with disabilities.

The establishment of the partnership with the Anderson County DSN Board and the extensive planning that went into the establishment of the distribution center put Walgreens in a position to meet its ambitious goals for recruiting workers with disabilities.

Getting Ready, Going to Work

The distribution center in Anderson, South Carolina began operations in January 2007. In preparation for the opening, Walgreens trained all staff of the distribution center in disability awareness. Nonprofit and government partners played a core role in assisting Walgreens to reach its goals for recruiting employees with disabilities. The nonprofits, government agencies, and Walgreens had completed the initial rounds of training, and established a pipeline for the recruitment, training, and retention of employees with disabilities.

The initial step in the employment process is an assessment and screening of potential candidates. The partners use a common tool to identify candidates who will most likely have the prerequisite skills to meet the work requirements at Walgreens. The competency-based tool assesses potential candidates in areas such as physical and social domains, behavioral history, communication skills, mobility needs, and type of disability, family supports, and personal choice.

Candidates who are identified through this process begin training to learn job skills using the aforementioned curriculum developed by Walgreens Learning Services, which allows people to learn over a flexible timeframe. Trainers from each partner agency are on site to provide the job skills training and individual supports to employees served by their respective agencies. The partnership coordinates the activities of the trainers and it is standard practice for trainers to fill in for a colleague from another agency if needed. Mr. Thompson said that generally the very best trainers from each partner agency are assigned to the distribution center.

To see videos of employees with disabilities discussing their experience working in the distribution centers, visit:
http://www.walgreensoutreach.com/topic/sr/sr_disability_inclusion_awards_recognition.jsp.

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

During the training period, the partners provide extensive counseling to families of worker trainees so they are aware of the training process and the implications of employment. Specifically, they advise families about the impact of employment on Social Security disability and other benefits at meetings arranged by the partners with Social Security staff.

When candidates have learned the required skills, they are placed in a paid on-the-job trial. Candidates receive on-site supports from the training staff and are assessed on their job performance like any other Walgreens employee.

Upon the completion of the on-the-job trial, Walgreens makes a decision about whether to hire the candidate. The employees who are hired are paid at a rate determined by a labor market survey (in 2007, the starting pay was \$10.50 per hour) and receive a full benefits package just as any employee performing the same job. The trainers also serve as ongoing support for people with disabilities that work at the distribution center as well as for Walgreens management and staff. Thompson said that for candidates that are not hired by Walgreens, his agency puts a special priority on finding them another job quickly.

It is important to note that people with disabilities can directly apply for jobs at the distribution center as well. The Walgreens distribution center has two staff members dedicated to providing supports to all employees if needed. Staff use the training center and work as a team with the trainers from the partnership. Deb Russell noted that it is the gaps in eligibility for publicly funded job coaching for employees with disabilities that necessitates these staff, which is an issue that needs to be addressed in the future.

“We had no hesitation whatsoever...” — The Connecticut Experience

The Connecticut distribution center largely adopted the same approach. In 2005, a firm confidentially representing Walgreens approached two states on the eastern seaboard to ask how they could assist in the start-up of a distribution center that would employ 600 to 800 people, with a target of 250 to 300 individuals with a range of intellectual and developmental disabilities. The firm representing Walgreens (unnamed at that point) approached both Brenda Moore, then Director of the Connecticut Bureau of Rehabilitation Services (BRS) and Jim Burke, a representative of the Connecticut Department of Economic and Community Development (DECD).

“We could not imagine that it was an [authentic] phone call at first. Few employers of this size have made contact with the Connecticut vocational rehabilitation agency. We had no hesitation whatsoever. Not even a question. The interest was getting more people with disabilities into employment.”

Brenda Moore, Director, Connecticut Bureau of Rehabilitation Services

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

The two agencies — BRS and DECD — together wrote a proposal for Walgreens that would meet the needs of the company's workforce plan. The plan included other workforce supply agencies such as the Capital Region (Hartford) Workforce Development Board and its CTWorks One-Stop Career Centers, the Connecticut Department of Mental Health and Addiction Services, and the Board of Education and Services for the Blind. DECD brought in the transportation department and the economic development office from the Town of Windsor. Ms. Moore had previous working relationships with many of the agencies as a result of collaborating on a National Governors Association (NGA) project in which resource mapping was done of all disability agencies in Connecticut.

Walgreens assigned James Emmett as the initial contact in 2005 for the Connecticut initiative, supported by Randy Lewis. DECD approved a financing package to open the Walgreens distribution center. The package included \$1.5 million for activities to provide for the employment of individuals with disabilities in the Walgreens workforce. The United Way administered the funding as a fiscal intermediary through an arrangement with the Office of Workforce Competitiveness (OWC), Connecticut's state workforce board. The board would lead and coordinate all agencies involved in recruitment for the distribution center — both people with and without disabilities. Under the direction of OWC, BRS was the lead agency (single point of contact) for individuals with disabilities. The Connecticut Department of Labor was the lead agency (single point of contact) for the general population. Because of the resource mapping that had been done under the NGA grant, BRS had worked closely with all of the disability agencies and with OWC.

DECD recruited other state agencies for the partnership. DECD and BRS invited agency heads of the Workforce Board, and Mental Health and Developmental Service agencies to attend a planning meeting. At the meeting, Ms. Moore noted that the purpose of the Walgreens initiative was to meet the needs of their corporate partner, not merely to transact hiring of workers with disabilities.

After Walgreens selected Windsor, Connecticut as the location, a team went to Anderson, South Carolina twice to observe the distribution center operation. They worked with Deb Russell to identify how Connecticut could learn from the experience in South Carolina and perform to expectations. South Carolina's providers organized a partnership, with the developmental disability service agency taking the lead while Connecticut assigned the vocational rehabilitation agency as lead agency, based on a Memorandum of Understanding (MOU) signed by the commissioner of each disability agency. Each agency designated a contact person that coordinated activities within that agency. The whole team went to South Carolina.

The teams from each state also compared approaches to the training facility. In South Carolina, the partnership had initially located the training facility some distance from the distribution center (it was subsequently moved to the distribution center). The Connecticut team felt that the training center should be located at the distribution center. The Connecticut team also examined the training curriculum that had been developed specifically for people with disabilities, and Ms. Russell provided coordination with Walgreens.

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

As noted earlier, the package of incentives in the successful Connecticut proposal to Walgreens included funding from DECD dedicated to train people with disabilities for employment at the distribution center. In addition, the local transportation district changed an existing bus route to go directly to the distribution center, a benefit for all employees, but particularly for people with disabilities, many of whom do not drive. The incentives were in response to the criteria in the Walgreens solicitation that the company was looking for assistance to meet its disability employment goals.

BRS initiated a request for proposals (RFP) and selected Community Enterprises, Inc. to conduct training for applicants with disabilities. A contract was executed between Community Enterprises, Inc. and the United Way. In addition, BRS funded two staff positions for the Walgreens initiative and costs related to the RFP process for the training provider agency.

In the year before the training class, the training team undertook a number of efforts to educate potential trainees, and help them apply to Walgreens directly or to the training center. John Halliday, in an unpublished brief on the implications of the Walgreens Connecticut project for state vocational rehabilitation agencies, noted that BRS believed that all consumers of vocational rehabilitation services could participate in the program, and worked with partner agencies, particularly the State Department of Education, the Division of Developmental Services, the Board of Education and Services for the Blind, and the Connecticut Department of Labor, to identify individuals for training. Mr. Halliday noted, “BRS and its partners developed the referral and funding mechanism that would enable interested applicants to become eligible for the appropriate programs and have access to funding and supports for the training center.”²⁰

BRS included the Walgreens initiative information on its Web site and posted the information in BRS literature for programs such as the Medicaid Infrastructure Grant, known in Connecticut as Connect-Ability. BRS’ Walgreens project manager played a significant role in the marketing and outreach aspects of the Walgreens jobs initiative. The partners’ outreach concentrated on adults with disabilities, older youth (ages 18 to 21), as well as families, schools, and adult service agencies. BRS tapped every public channel available to raise awareness of the opportunities for competitive employment through the Walgreens project. Local school systems and referring agencies communicated that training, trial, and transitional employment opportunities were available at Walgreens. Additionally, BRS committed to connect job seekers not represented by a program or agency to the appropriate resources so they could apply for training and employment.²¹

In March 2008, BRS created the part-time position of Walgreens liaison by utilizing a small portion of the \$1.5 million in state funding administered through the United Way. The liaison screened each individual referred by the disability agencies to determine whether the individual appeared to be a good fit for the Walgreens training program. This included both the individual’s interest and the likelihood of acceptance to the training program. The liaison also followed up with the referring agencies and provided ongoing coordination with agencies and programs throughout the training program. Walgreens and the partner agencies reported

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

that this consistent approach to the referral and application process was a critical practice for effective problem solving and coaching throughout the training process. It provided a single point of contact for candidates with disabilities.²² In addition, the Walgreens liaison worked with candidates with disabilities who applied directly through Walgreens' job application process.

Community Enterprises, Inc. initially provides candidates with nine weeks of training geared to developing both interpersonal and behavioral skills as well as the specific skills needed for the jobs identified by Walgreens. Through the Connecticut Walgreens training center, candidates with disabilities have the opportunity for training on equipment used in the distribution center and are also provided with classroom instruction in such areas as safety standards, work rules, social skills, company expectations, product identification, and other topics.

Candidates who successfully complete this training enter a nine-week Transitional Work Group (TWG). Candidates are paid a training wage of \$10 per hour by Community Enterprises, Inc. with funds provided by Walgreens. Deb Russell describes this as the candidate's "job application and interview." During TWG, the candidate "demonstrates to us they can do the job and meet our standards." If candidates are not successful in an area, they can attempt a TWG in another area if there are openings. During TWG, each candidate is evaluated at least once every three weeks to determine additional achievement needed to receive an employment offer from Walgreens. As soon as an evaluation shows proficiency in six designated areas, Walgreens extends a job offer to the candidate. As with all Walgreens employees, new hires undergo a probationary period. After hire, Walgreens assumes full supervisory responsibility and provides any additional training that workers need. BRS provides limited post-employment supports.

The costs of the training center are covered from the \$1.5 million one-time grant from DECD and by Walgreens, which pays for the space and utilities, and also provides training materials, equipment, test product, support, and methods.

Community Enterprises, Inc. notes that one major challenge of the initiative is that few trainees have ever worked an eight-hour day prior to referral to training. The length of the workday has led some people to opt out. According to Carla Gaouette, Community Enterprises Inc.'s program director at the Walgreens site, some people take longer to become ready for work, but do make steady progress and should not have an arbitrary cut-off date. Flexible timelines have been used with the last round of hires. Ongoing in-service training needs for hired workers are handled internally by the Walgreens training specialists, but Community Enterprises, Inc. is involved as well if needed.

Clients of state agencies will still get training or resources as needed if additional support needs emerge. Joe Wendover from Walgreens stated that the company "does not want the employee to cut that tie." BRS requires agencies to make follow-along contacts after a case is successfully closed and the case can be re-opened if additional services are needed. Additionally, some employees are eligible for long-term employment supports through the developmental disabilities system.

Results of the Walgreens Collaboration

As of late 2009, the Anderson, South Carolina distribution center employed nearly 200 employees with disabilities that were hired through the partnership. Four in ten employees at the distribution center have a disclosed disability. The efficiency rate at the Anderson distribution center is 120% of the rate for the other Walgreens distribution centers.

Absenteeism is lower for the employees with disabilities who use agency transportation. Deb Russell noted that the safety statistics for employees in 2008 at the Anderson County center averaged \$500 per case less for employees with disabilities than those without disabilities.

Angela Mackey, Outreach Coordinator for Walgreens' Anderson distribution center, is pleased with the contribution of the employees with disabilities. She said, "It's about capability not disability." Ms. Mackey stated that the employees with disabilities who work at the center have a lower turnover rate and bring extraordinary commitment to the job. She also said that the center could not have benefited from its employees with disabilities without its partners. She is comforted that if an employee has a problem, "Dale Thompson said that many people with disabilities in the region have benefited as well: 'Walgreens presented us with extraordinary employment opportunities for the people we serve. It has been a real challenge and a great deal of work, but it has been worth it.'" He commended his partners for dropping the boundaries of their "turf" and working collaboratively.

In Connecticut, Joe Wendover said that objectives have been met, and Walgreens is "very satisfied with the partnership's result in facilitating the recruitment and retention of qualified employees with disabilities." He continued that Walgreens also is "satisfied with supports from Community Enterprises. Community Enterprises has an office on site and it has been really helpful. We have that feeling of belonging. They are part of the Walgreens family."

Walgreens has far exceeded its goal of people with disabilities forming more than one third of both the South Carolina and Connecticut distribution centers' workforce. Walgreens has 17 applicants in the pool to hire who just finished the course and will hire them when positions become open. As of the date of the research for this report (summer 2009), in the Connecticut distribution center, 100 potential workers started training, 58 entered the transitional work group, and 31 were hired by Walgreens.

According to Brenda Moore, "It is an excellent collaboration. It has worked because we had people who said we will make this work. We needed commitment from all quarters and we had that. We know that Walgreens was committed to it. Workforce boards were at the table. No conflict behind the scenes at all. We worked well together." As with any ambitious project, there were details that had to be addressed. Moore reported some system issues, including a few related to the fact that the project hired former BRS employees. There were considerations to address in the working relationship with Walgreens as well, including the location of the Connecticut transit bus stop. Careful development of the contract with Walgreens addressed many of the issues.

Conclusion

The distribution centers offer several practices of significance to public officials and employers interested in strengthening the recruitment, training, and retention of employees with disabilities. The company has established significant expectations for its partners but offers employment opportunities for large numbers of people with disabilities. At each site, capable and passionate partners have accepted this challenge. The partners have successfully placed hundreds of people with significant disabilities into good paying jobs with full benefits. In short, the Walgreens distribution center partnerships have resulted in a win for the company, a win for its partners, and a win for the people with disabilities who have been employed.

It is important to note that Walgreens is committed to being inclusive at all of its distribution centers. For example, the Walgreens distribution center in Texas has been the most successful in increasing the numbers of people with disabilities in their workforce. The Texas Department of Vocational Rehabilitation has agreed to be the lead partner on the recruitment, training, and retention of employees with disabilities. In this case, Walgreens provides training and work supports directly. This adaptation warrants review as another partnership option.

Walgreens has also implemented a partnership at its distribution center in Pendergrass, Georgia. The Georgia Department of Vocational Rehabilitation is the lead partner at this center and 24% of the center's current workers are individuals with disabilities. Angela Mackey said that information to date has shown that the model works in centers without high-tech features. Deb Russell said, "It is nice to contrast Anderson with Pendergrass because both are very successful with employing people with disabilities and we credit our partners in each state for that. But it proves that high tech (like Anderson) is not required for success."

Ms. Russell also said, "We have partnerships in each community where we have a distribution center but the success of the partnerships varies. We have three buildings who struggle with their partnerships and we have not found better options in those communities yet, but we are disappointed that not all providers have responded to our 'we want to hire people with disabilities into good jobs' cry as enthusiastically as Anderson DSN, who is a model of the true meaning of partner."

The decision by Walgreens to locate the distribution centers in South Carolina and Connecticut over other states was influenced by the enthusiasm, dedication, and capability of the local disability systems to meet the company's needs. In addition, each state's economic development department contributed significant grant funds to support the training of people with disabilities developed by the partnerships that were formed.

The success of the Walgreens partnerships in South Carolina and Connecticut has important implications for employers and local service systems seeking to expand employment opportunities for job seekers with disabilities. These are presented according to the *Ready and Able* findings as follows:

- **Employers respond to a business case for employing people with disabilities**

Employees with disabilities produce. The Walgreens distribution centers employ hundreds of people with disabilities. The company continues the initiative because its employees with disabilities contribute to greater efficiency and reliability. Further, Walgreens has found that the accommodations developed for employees with disabilities assisted all of its employees to be more productive. The initiative meets a business need.

- **Innovative collaborations with and between workforce-supplying organizations enable employer efforts to recruit, hire, train, and support employees with disabilities**

Meeting recruitment goals. The partnerships in South Carolina and Connecticut have provided recruitment, screening, training, and on-site and family supports to assist Walgreens in meeting its disability employment goals. The partnerships did the legwork that provided Walgreens with access to reliable, skilled employees and positively contributed to the company's bottom line. Initially, only three jobs at the centers were targeted for the recruitment of people with disabilities. However, with experience, Walgreens found that employees with disabilities could do all types of jobs at the centers.

Major employers can significantly expand employment opportunities for people with disabilities. The Walgreens partnerships have facilitated the employment of hundreds of people with significant disabilities at the two distribution centers. Walgreens personnel say that the employment of these people would not have been possible without the partnerships. This is a strong message to local disability and workforce systems that the ability to establish corporate partnerships creates new and expanded employment opportunities for people with disabilities. Given the positive experience of the distribution centers, other companies with distribution center operations have approached Walgreens for guidance on replicating its initiative and the partnerships that support it. The question for local service systems is whether they are prepared to establish the innovative, disciplined partnerships seen here.

- **Collaborations ensure that workers are qualified and productive**

Quality training and support staff contribute to success. Both partnerships emphasized the importance of skilled experienced staff in training and support roles. In addition to the complexity of preparing people with significant cognitive disabilities for technical jobs, the Walgreens partnership model requires service agency staff to work collaboratively with Walgreens staff to meet the company's explicit expectations. Accordingly, both partnerships have assigned their best staff to work at the distribution center training facilities.

People with significant cognitive disabilities can be trained for jobs requiring technical skills. The Walgreens partnerships have shown that people with significant cognitive disabilities can be trained for full-time, technical jobs that pay well and offer full benefits. Preparing two or three people for such jobs would be noteworthy given the norm for this population of part-time service jobs at nominally above minimum wage. However, the partnerships have successfully prepared hundreds of people for these positions and opened up new possibilities for the employment and independence of people with cognitive disabilities. The flexible training curriculum used by the Walgreens partnerships should be required reading in disability service systems.

Local disability systems need to establish relationships with economic development offices and other state agencies. Walgreens pursued the development of the distribution centers through state economic development offices with a stipulation that the company was seeking assistance in recruiting employees with disabilities. The South Carolina and Connecticut economic development offices sought assistance from their respective local disability services systems in responding to Walgreens. This profile demonstrates the importance of local disability services systems establishing relationships with the respective state economic development agencies in order to be aware of new employment opportunities for people with disabilities and to access funding for employment initiatives. Likewise, the South Carolina and Connecticut partnerships received funding and support from an array of agencies, including but not limited to, the Department of Commerce, the Office of Workforce Development, the state legislature, vocational rehabilitation, systems for people with developmental disabilities, and the Department of Transportation. Local disability services systems should view these agencies as potential sources of revenue for supporting efforts to increase employment opportunities for job seekers with disabilities.

■ **Successful collaborations nurture and reward continuous leadership**

Corporate leadership is a catalyst to success. The leadership of Walgreens Senior Vice President Randy Lewis was a key element in setting and achieving an extraordinary goal.

Local service leadership that responds to the opportunity. In both South Carolina and Connecticut, a leader from the disability service system accepted the Walgreens challenge, organized an effective partnership, and guided the development of a process to meet Walgreens' disability employment goals and expectations. They went "above and beyond" meeting their agency's performance goals to be responsive to a company that had a lot to offer people with disabilities.

The results of the leadership of Walgreens and its partners in South Carolina and Connecticut were pipelines of quality employees with disabilities for the company and extraordinary employment opportunities for people served by the disability agency partners.

Warriors to Work: Lockheed Martin and the Seamless Transition Apprenticeship Program

Introduction

Lockheed Martin is a global security company with about 136,000 employees worldwide.²³ As an extension of its role as a contractor to the U.S. Department of Defense, the company has a commitment to recruiting veterans of the U.S. military. The company received a U.S. Department of Labor New Freedom Initiative Award in 2008 for its efforts to employ people with disabilities, including veterans with disabilities.

Lockheed Martin established the Seamless Transition Apprenticeship Program (STAP) to recruit and train injured veterans for career path jobs. This program is operated in partnership with the U.S. Department of Veterans Affairs, Walter Reed Army Medical Center, National Naval Medical Center (which will be combined with Walter Reed in 2011), and the Wounded Warriors advocacy group. This profile describes the progress of the program to date, and how a group of partners make it work.

“Because of Who We Are” — Development of the Partnership

Planning for STAP started in 2005 as the result of a challenge by Lockheed Martin’s CEO to recruit veterans of the U.S. military with service-related disabilities “because of who we are as a company.” Christine Neigh, Director of Equal Opportunity Programs, said that there is a strong business case for Lockheed Martin’s efforts to recruit veterans. She also said that veterans with disabilities “are an under-tapped source of talent. Veterans often have the skills we need and have used or know of Lockheed Martin’s products.” The program recruits employees for jobs in supply chain management and information technology. In selecting these occupations, Lockheed Martin looked internally to parts of the company that had skill needs it needed to meet. For the global supply chain management position, the sponsor was the supply chain management group, which needed additional people to perform this job. The sponsor partnered with human resources from “day one” to develop the specifications and standards for the position. The program began with meaningful and rewarding opportunities for four veterans in an auto parts contract won by the company for military vehicles.

Esteria Johnson, Manager, Strategic Development at Lockheed Martin Information Systems and Global Services, designed a program to recruit, train, and support veterans with disabilities. Lockheed Martin and its partners are aware that many veterans return from Iraq and Afghanistan with little college education and a range of physical challenges. Many

are young parents responsible for raising a family. For them to become gainfully employed, they need access to a complete set of services for their transition to employment and self-sufficiency.

As a result, Ms. Johnson incorporated principles from transition programs for students with physical disabilities into the STAP model. This model prepares veterans with disabilities for full-time, flexible employment in the areas of supply chain management and information technology with career ladders. The STAP model includes a two-year paid registered apprenticeship for the targeted positions. Lockheed Martin and the U.S. Department of Veterans Affairs, Vocational Rehabilitation and Employment (VRE) Services provide needed supports to the veterans, including career specialists, mentors, and coaches, as well as military and Lockheed Martin benefits. In addition, veterans have access to web-based training and other educational resources to prepare them for careers in the company.

Ms. Johnson initially identified two titles for the STAP apprentices — Subcontract Administrator and Subcontract Administrator Associate. These salaried positions put employees on the first step of a career ladder in supply chain management. The positions require a high school degree with relevant experience and training in the military. The positions can be performed from home via technology, and are available in various Lockheed Martin businesses, allowing veterans from different regions of the nation to apply. Maryland certified the supply chain management apprenticeship program in 2006, and the U.S. Department of Labor then nationally certified the program in 2007. As of 2009, two new positions (Information Specialist I and Information Specialist II) provide veterans with two certified registered apprenticeship tracks from which to select.

From the start, Ms. Johnson recognized that Lockheed Martin needed partners to implement STAP. To accomplish this, she reached out to Walter Reed Army Medical Center, National Naval Medical Center, and Wounded Warriors to collaborate in outreach and screening for potential candidates for STAP. She also worked with VRE to assist in both recruitment and the provision of needed supports.

Warriors to Work: Operation of the Partnership

According to Lockheed Martin, the STAP partners provide critical assistance to their outreach to veterans with disabilities. Walter Reed Army Medical Center, for example, provides medical and transition supports to veterans recovering from injuries and facilitates the applications of veterans who are interested in STAP. Lockheed Martin, Ms. Johnson noted, shares information on STAP employment opportunities with external groups that have contact with this population. Walter Reed Army Medical Center and the other partners routinely link Lockheed Martin staff to relevant events and facilitate appropriate contacts.

Dr. Vernon Ross, Director of Learning and Development at Lockheed Martin Information Systems and Global Services, noted that the VRE is also an important source of referrals to STAP. Lockheed Martin staff, he noted, periodically go to VRE and make presentations about STAP, describing VRE as part of the company's "veterans' recruitment strategy."

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

“Lockheed Martin works to ensure all qualified individuals, including those with disabilities, have opportunities to pursue careers at the company. This vision is implemented by the Focus on Abilities team, which works to integrate disability employment issues across all aspects of the company’s recruitment, selection, development and retention programs and processes.”

U.S. Department of Labor New Freedom Initiative Award Winner, 2008

The apprentices train and work with a journey person (certified employee) for two years. During this time, they receive on-the-job training, mentoring, coaching, and feedback from the hiring manager and learning and development professional. The apprentices are strongly encouraged to pursue a college degree by using both veterans benefits and employee benefits from Lockheed Martin. All of the STAP apprentices to date have been enrolled in college during their apprenticeships. Based on the successful completion of the apprenticeship, STAP graduates receive an internal program certification and an external certification from the U.S. Department of Labor. They become highly skilled and eligible for positions throughout the company.

Ms. Johnson believes that employees enrolled in STAP are highly motivated and want to make a significant contribution, which is reflected in their accomplishments at Lockheed Martin. The veteran population is a great group to expand the workforce. With strategic workforce initiatives, such as STAP, and meaningful, collaborative, partnerships, Lockheed Martin can make a difference in the lives of returning veterans and their families.

One employee completed his undergraduate degree, and was recently promoted. Because of his high level of success, his promotion was in the prestigious Information Systems Leadership Program, where he will attain higher leadership and technology-advanced opportunities. This achievement was concurrent to completing STAP.

Others are on their way. The first pilot class of the Seamless Transition Apprentice Program graduated in a ceremony held in Bethesda, Maryland on December 14, 2009. This was a great achievement attended by partners, Lockheed Martin executives, mentors, and managers. The graduation validates that STAP is a viable and replicable model.

Lockheed Martin also looks to VRE to “augment” the company’s transition supports. Ms. Johnson noted that VRE assists Lockheed Martin in assessing the veterans’ disability or impairment and support needs, providing career counseling, and coordinating veterans’ benefits. VRE counselors work closely with Lockheed Martin staff to coordinate the provision of services.

Dr. Ross, who oversees STAP, is responsible for the continued development of the program and interfaces with the U.S. Department of Labor. For him, it is critical that this team ensure adherence to the U.S. Department of Labor’s Standards for Apprenticeship and that all requirements for certification are completed as scheduled. The progress of each apprentice is tracked and many consultations take place to identify the right opportunity for each veteran.

Chapter 1: Challenging the Conventional Wisdom: National Employer Collaborations

Although much has been said about the role of partnerships, Ms. Johnson notes that “without the partners, we would not be as effective in the recruitment, training, and support of these employees.” As program architect, Ms. Johnson is clear in recognizing the role of the internal program sponsor, Lockheed Martin. She said, “STAP would not be a successful model without the leadership of the Lockheed Martin human resources team.” This is a major responsibility and a strategic partnership that must be in place for the overall functionality of internal and external partnerships. The human resources team is the glue that holds the STAP employees and the business together. It is the human resources team that will keep up with things like new U.S. Department of Labor regulations, veteran benefits, compensation, and the expertise to know when and how to update new U.S. Department of Labor standards to benefit the veterans and the business, as in the case of adding the two new occupations for Information Technology Specialists I and II.

Vernon Ross said that the company views STAP as a “huge success.” For him, the program is a win-win for veterans and the company. He said, “The veterans bring in skills and with the training they get in STAP, they can progress to higher job levels.” He concluded that STAP assures a “pipeline” of talent to the company. Esteria Johnson adds that Lockheed Martin has concluded that STAP is an effective model and it is now available throughout the company and its components.

The most powerful testimonials to the program are from the STAP apprentices themselves:

“My life didn’t have a great outlook. It is difficult for someone with neck and back injuries to find suitable employment...Lockheed Martin provided me an opportunity to continue to be productive and provide my expertise in many areas outside the confines of normal daily life. I have more to look forward to than just another day when I come to work...They provide me with the necessary tools to help me be successful and make Lockheed Martin successful.”

STAP apprentice

“I believe in order for any organization to succeed you have to invest in the most important asset of the organization, the people...The value of STAP goes way beyond the fact of hiring a disabled veteran. It goes to the fact that the organization is willing to say thank you for your service and we can be the next chapter in your life as a token of our gratitude.”

STAP graduate

Conclusion

The STAP analysis yields insights of value to major employers concerned about measuring their employment policy and practices to the cut and shape of the values of their stakeholders. Lockheed Martin's military and technology business is in some measure based upon the confidence and good faith of the American public, military veterans and active military personnel, and their families. By actively collaborating with organizations that serve the needs of these constituents, Lockheed Martin learns from stakeholders who have a great personal stake in their business and the role of the U.S. military. By providing a suite of training and support services, the firm locks in a quality employee for longer-term service, with a high level of commitment. The careful, step-by-step approach to identifying prospective employees vastly increases the prospects of success.

The success of the Lockheed Martin STAP has important implications that confirm the *Ready and Able* findings:

- **Employers respond to a business case for employing people with disabilities**

The partnership is critical to ensuring a pipeline of talent. STAP was developed as a result of strong support from senior management for employing veterans with disabilities. As applied, however, the company views STAP as a vehicle for bringing talent to its workplace and positively affecting its bottom line. The positions selected for apprenticeships were in areas of labor demand within the company. The program meets a business need.

- **Innovative collaborations with and between workforce-supplying organizations enable employer efforts to recruit, hire, train, and support employees with disabilities**

The collaboration is the heart of the project. Lockheed Martin says that STAP “would not be possible” without support from Walter Reed Army Medical Center, National Naval Medical Center, Wounded Warriors, and the U.S. Department of Veterans Affairs, VRE. These organizations assist the company in outreach to veterans and in providing supports for employment preparation and retention.

- **Collaborations ensure that workers are qualified and productive**

Hands-on guidance and work experience is important. The core of STAP is a two-year registered apprenticeship that provides veterans with disabilities the opportunity to earn credentials for good paying jobs. Upon completion, veterans with disabilities have access to the career ladder and are eligible for jobs throughout the company. Veterans are also encouraged to enroll in college courses during the apprenticeship, and all have done this.

- **Successful collaborations nurture and reward continuous leadership**

Corporate interest and leadership is essential to program start-up and sustainability. STAP was developed based on leadership from Lockheed Martin's CEO. The program has provided the company with a pipeline to quality veterans with disabilities.