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Testimony of

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on

Employment of Individuals with Development
Disabilities

to

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Chairman Harkin, Ranking Member Enzi: Thank you for the opportunity to testify today on behalf of employment opportunities for people with disabilities – including the remarkable women and men who enrich the Walgreens workforce and contribute to our service to families and communities.

My name is Randy Lewis, and I am Senior Vice President of Supply Chain and Logistics at Walgreens. In this role, I am responsible for the logistics network that serves our 7,600 stores in all 50 states, the District of Columbia, and Puerto Rico. This includes 17 distribution centers, which employ nearly 10,000 full-time employees.

Walgreens is committed to offering and enhancing employment opportunities for people with disabilities. This commitment goes further than simply complying with our legal obligations under the Americans with Disabilities Act, and I appreciate the chance to describe our experience at Walgreens. As I will discuss, we've learned that broadening our workforce by employing people with disabilities is not only the right thing to do, but it also it makes good business sense and has benefits that reverberate across our company and culture.

The Walgreens experience

Our experience began in 2003, when we were planning for a new-generation distribution center in Anderson, South Carolina. Our objectives were straightforward: First, to build a center that was more productive than any we had ever built, with a new foundation of systems, machines and processes. Second, we wanted to have an inclusive environment where one-third of the workforce was made up of people with disabilities who might not otherwise have a job. But we also wanted a sustainable business model – an inclusive workplace where people with and without disabilities work side by side, earning the same pay, doing the same jobs and held to the same productivity and other workplace standards.

In the months preceding the opening of our Anderson distribution center in 2007, we worked with local agencies to train and attract people with disabilities for employment at the facility. Anderson was the first facility of its kind to employ a significant number of people with disabilities. Today, nearly 40 percent of the facility's workforce has a physical or cognitive disability, exceeding our goal.

Two years later we opened an identical distribution center in Windsor, Connecticut, with the same design and workforce inclusion elements in mind. Similar to Anderson, employees with disabilities have been trained to work side by side with other team members – with the same productivity goals, earning the same pay. And like Anderson, nearly 40 percent of the workforce is composed of people with disabilities.

Shortly after opening our Anderson distribution center, we quickly learned that employing people with disabilities did not require all the technology and automation associated with our new design, and that it was applicable to all 17 of our distribution centers across the United States and Puerto Rico. In late 2007, we set a goal to fill 10 percent of the jobs at our distribution centers with people who have disabilities – or about 1,000 in all – by 2010. At the end of 2010,

we had hired 850 employees with disclosed disabilities. We continue to move forward aggressively, and this past summer our front-line managers set a new goal to continue increasing the hiring of people with disabilities at our distribution centers by seeking to double our percentage over the coming years.

I say, without equivocation, that our expectations for hiring people with disabilities have been exceeded. We're now broadening our job opportunities for people with disabilities beyond our distribution centers. Last year we launched a pilot program in the Dallas/Ft. Worth area to hire people with disabilities for a significant number of service clerk openings at stores in the area. What led to this new pilot was a partnership between the Texas state vocational rehabilitation agency and our distribution center near Dallas that resulted in a successful spin-off training program for our stores in the area. Stores volunteer to work with local agencies in training candidates for store positions with the objective of employing them in one of our community stores. This pilot has proven to be successful and we will be rolling this out across the country in 2012.

Our experience illustrates the benefits of working in partnership with local organizations that serve people with disabilities. In fact, we have found that the variety of partnerships we have with state, county and non-profit agencies are crucial to our efforts to employ people with disabilities – they provide the tools and expertise to help those individuals succeed. Perhaps the success of our employees with disabilities will encourage service agencies and their supporters to focus on competitive employment opportunities and success.

We hope our efforts can open doors for people with disabilities in other businesses. So far, we have partnered with other companies such as Sears, Best Buy and Lowe's, which have since launched their own initiatives. We have thrown our doors open to other businesses that have interest in employing people with disabilities – we are happy to share what we've learned and our experiences. We have conducted tours and hosted "boot camps" where company managers can gain actual hands-on experience in an inclusive work environment. And this includes our competitors. The success of our employees with disabilities is too important not to share with other companies and interested parties.

What we have learned

To help other businesses benefit from our experience, and perhaps help efforts by policymakers to encourage employment of people with disabilities, let me walk through the most important lessons Walgreens has learned – and assumptions and biases we have shattered – as we pursued our commitment.

First, the biggest challenge was making the decision. We knew there would be obstacles and mistakes along the way. Will this work? Will we find qualified people? Can we train them to be productive and succeed in our work environment? What about the impact on other employees? Will it affect costs and productivity overall? Fear of the unknown and the risk of failure can be the toughest barriers in business, especially when people's lives and livelihoods are involved. Nobody wants to be blamed for good intentions with faulty outcomes. We knew

that if we had to answer every “what if” before proceeding, we would never get started. So we decided to learn and adjust as we moved forward. In our experience, if businesses can garner the courage to cross the line and hire people with disabilities, then they will discover the same benefits we have.

Second, good partners are key. We found great partners in the community who could help us find and train potential employees. In Anderson, we worked with the Anderson County Special Needs and Disability Board who opened up and staffed a training center a year ahead of our opening to ensure that we had a pool of qualified candidates. In Connecticut, we worked with the state vocational rehabilitation agency, which coordinated across various providers to bring forth candidates and train them in our training center within the distribution center. In working across the United States, we learned that all potential partners are not the same in terms of resources, focus, the access to pool of candidates, energy and approach. The availability and our assessment of partners’ abilities, resources and commitment weighed heavily in our site selection.

Third, we didn’t have to create a lot of special accommodations to employ people with disabilities. We have been just as successful in employing people with disabilities at distribution centers without the most advanced technology like Anderson. It turned out that most of the steps we took to make work easier and more productive for people with disabilities made work easier and more productive for all employees. We have found that most of the special accommodations for people with disabilities cost less than \$25 and is money spent wisely to result in a successful employee. For instance, one team member with obsessive-compulsive disorder was failing to make the productivity standard because he was fixated on how he was opening the box rather than on the number of boxes he was completing. Providing a simple card with the number of squares representing the number of boxes that he should complete each hour helped shift his focus, resulting in his success.

Fourth, we found that the “build-it-and-they-will-come” approach is not good enough. In other words, having an inclusive work environment, an accommodating workplace, and a welcoming attitude may be insufficient to attract people with disabilities to your workforce. Businesses may not have access to these potential employees because they’re unaware of the service agencies or partnership opportunities. Or local agencies may not know about your commitment, they may not make employment a priority, or they do not have the resources to help their clients join the workforce and succeed there. Some people with disabilities who self-advocate may give up trying to find a job after facing repeated disappointment. We had to work harder than we expected to find applicants and work with partners to get them the necessary preparation and job training.

Fifth, we discovered we had our own invisible walls, including how we defined jobs, and how we interpreted laws and regulations. For example, would we risk violating workplace safety rules if we have a forklift driver who is hearing impaired? Would we risk violating equal opportunity protections if we advertise openly that we were seeking people with disabilities (without equal mention of other groups)? Sometimes the rules designed to protect people can seem like barriers to helping people.

Sixth, we underestimated the abilities of people with disabilities. We were told, and part of us believed as most people do, that people with disabilities could not work overtime ... that certain people could not do certain jobs ... that “they” could not adapt to new jobs and situations ... and “they” could not perform time-sensitive, fast-paced, high-quality work.

We found these generalizations to be false. Our employees with disabilities showed that they can be successful in highly competitive environments and triumph over these biases every day. These are terrific employees and they meet and exceed the same performance requirements for all employees.

Seventh, for us and for those businesses we have partnered with, this is a movement of attraction not coercion. That is, we have had no problem in finding employees who want to be part of this effort. During our planning phase, as it became known throughout the company I received countless calls from employees in other areas offering their help. I can think of no better illustration than Monica Hall, who I met during my first visit to our Connecticut distribution center. She told me that she had been an assistant manager in one of our stores in Wisconsin when she heard of our plans to open in Connecticut. She uprooted and moved her entire family to Connecticut to be part of it. When we asked our Dallas/Ft. Worth store managers for volunteers to serve as advocates and training stores, we hoped for ten but got 38 volunteers on the spot.

Finally, it has changed us for the better. In our commitment to employing people with disabilities, great performance was something we hoped for. We have gotten it. We have been rewarded with a safe, dependable and productive workforce.

Along the way, we discovered another, more intangible but powerful benefit. That is the impact our commitment to employing people with disabilities has had on our work environment and on each one of us.

As you walk through these buildings, there is a sense of teamwork, common purpose and mutual respect unlike we had ever experienced. We set out to change the workplace but instead found that we were the ones who were changed.

We learned that working with people with disabilities requires that we view each person as an individual whose gifts may not be readily apparent. Treating each person as an individual is something we in business talk about, but fall short in actual practice. We have found that in making people with disabilities successful, it requires us to be so. As a result, we become better managers and leaders and we all benefit.

More importantly, no matter how different we seem, we are more alike than we are different. In going through the effort to unleash each person’s gifts, we have discovered the completeness in all of us. There is no “them” and “us.” For those directly involved, it is as if we have been awakened from our slumber of self. The satisfaction of our own success does not compare to the

satisfaction of making those around us successful. This has made us better stewards of our work. And more importantly, better parents, better spouses, better citizens and better people.

Barriers to address

The Committee has asked me to describe some of the barriers to employing people with disabilities. I'm not a policymaker, but in our experience, three areas may be worth examining:

- Regulations that are designed to help or protect people may hinder the hiring of people with disabilities, perhaps some accommodations could be made to allow companies to pursue these hires without risking sanction.
- People with disabilities who want jobs, and companies committed to hiring them, would benefit if additional resources were made available to help potential employees succeed in the workforce. Increased flexibility, access and funding for job coaches for long term support for the organizations with whom we partner, or other mechanisms to use our own employees for job coaches for individuals, would be helpful in breaking down barriers.
- If the "fear factor" is deterring companies from expanding their hiring of people with disabilities, they might benefit from a national summit to share knowledge and information, practices that work, and problem-solving among companies, service providers, local, state and federal agencies, non-profit and advocacy organizations, and researchers and academics. Walgreens would be happy to help and participate.

In fact, this morning I would like to present the Committee with an invitation signed by our employees at our Anderson, South Carolina, and Windsor, Connecticut, distribution centers to come and visit them, see their work in action, and ask any questions you'd like. They'll tell their story much better than I can.

Closing observations

For many of our employees with disabilities, Walgreens is their first full-time job. We've seen first-hand the improvements in their lives as they earn and receive recognition for a job well done and build relationships with other team members. The stories are too numerous to mention them all here, but a few stand out for me:

- The man who has multiple seizures daily who came up to me and said that he had been unsuccessfully looking for a full-time job for 17 years until he was given a chance at our Connecticut site;
- The man in his 50s with cognitive disability who had never held a job, who showed his aging mother his first paycheck, and the next day asked his supervisor why she had cried;
- Our gifted HR manager who made straight A's in both undergraduate and graduate school, mailed out 400 resumes, got 30 interviews but not a single job offer;

- The hearing-impaired customer service representative who we hired not because of the paradigms we knew she would break, but because she was the best candidate.

I do not minimize the extraordinary challenges facing people with disabilities in joining the workforce. They may not have access to transportation, they may have difficulty with the application process, they may not interview well, they may not learn in the way we teach or along the same timeline as we are accustomed, and so on.

But the toughest challenge of all is when people with disabilities are seen as “them” and not as “us.” A job can change that. A job is more than a paycheck; it is a source of dignity. The workplace can be a productive and fulfilling place – a place where people with disabilities transform their lives from the margins to the mainstream, and can be seen as the valuable and complete people they are.

Walgreens is fortunate to have made the commitment to invest in employing people with disabilities, people who make such an enormous contribution to our company, customers and community, and who succeed in pursuing their dreams and careers. And for those who have been directly involved, it has provided more meaning and satisfaction than we ever would have dreamed.

Thank you for the opportunity to tell our story.