



The role of social enterprise in the health and disability sectors

Workforce Auckland

Kevin Riley & Tricia Fitzgerald

CED Conference February 2010



The beginning

- 1960's sheltered workshop
- Work gives dignity and meaning
- DPEP gives exemption from minimum wages
- Government subsidies supplemented with income from fundraising and work



Impact of Philosophy

- Normalisation, mainstreaming and deinstitutionalisation
- Workforce Auckland early provider of supported open employment
- Sheltered workshops seen as archaic and exploitive
- Reduction in sheltered employment from 12,000 to 3,000 by 2006
- Repeal of DPEP Act



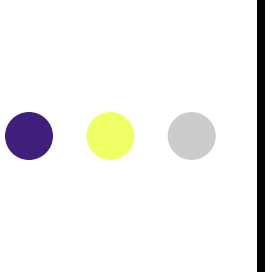
The dilemma

- Internal issues with challenging market and 3 years of losses by 2002
- Bottom line focus led to recommendation to terminate unproductive workers
- Tensions between management and board build
- Board undertakes reviews that make number of recommendations



Stage 1 Solutions

- New CEO and Chair from commercial sectors
- New mission: *Assisting disabled people work in jobs of their choice*
- Restructure
- Communications strategy developed
- Increased focus on customer and funder relationships

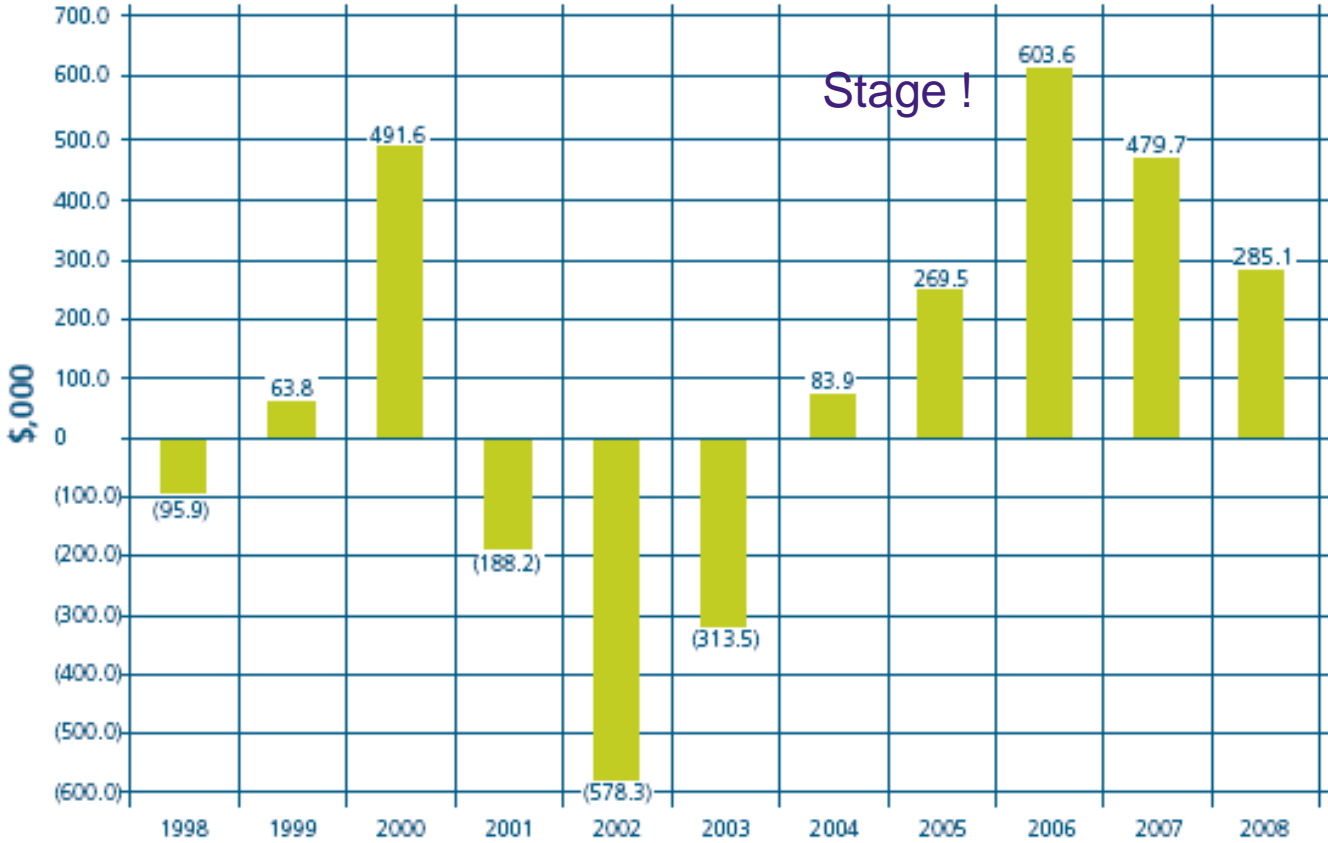
- 
- Improving efficiency of operational processes
 - New pricing strategy
 - Employee voice established that links with board
 - Focus on performance measures and incentives



Stage II Solutions

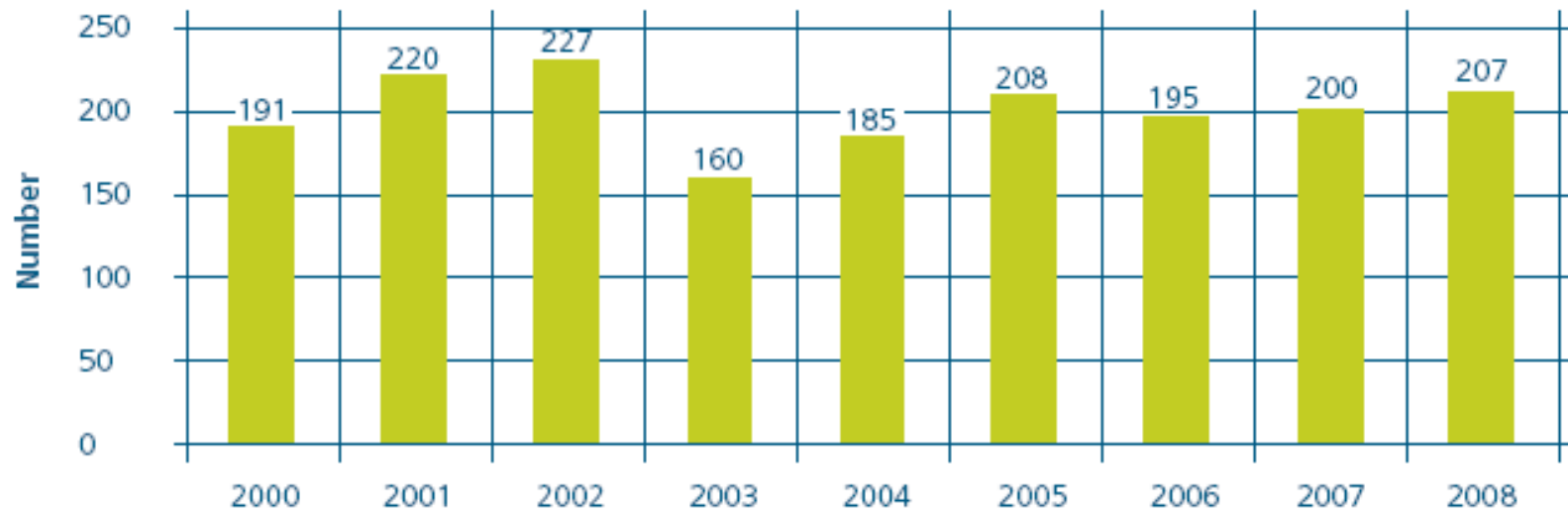
- Supported employment made top priority to sharpen operations and integrate services
- Single door to look at employment options, enabling clients to make choices

Workforce Auckland Inc Surplus/Deficit - Parent



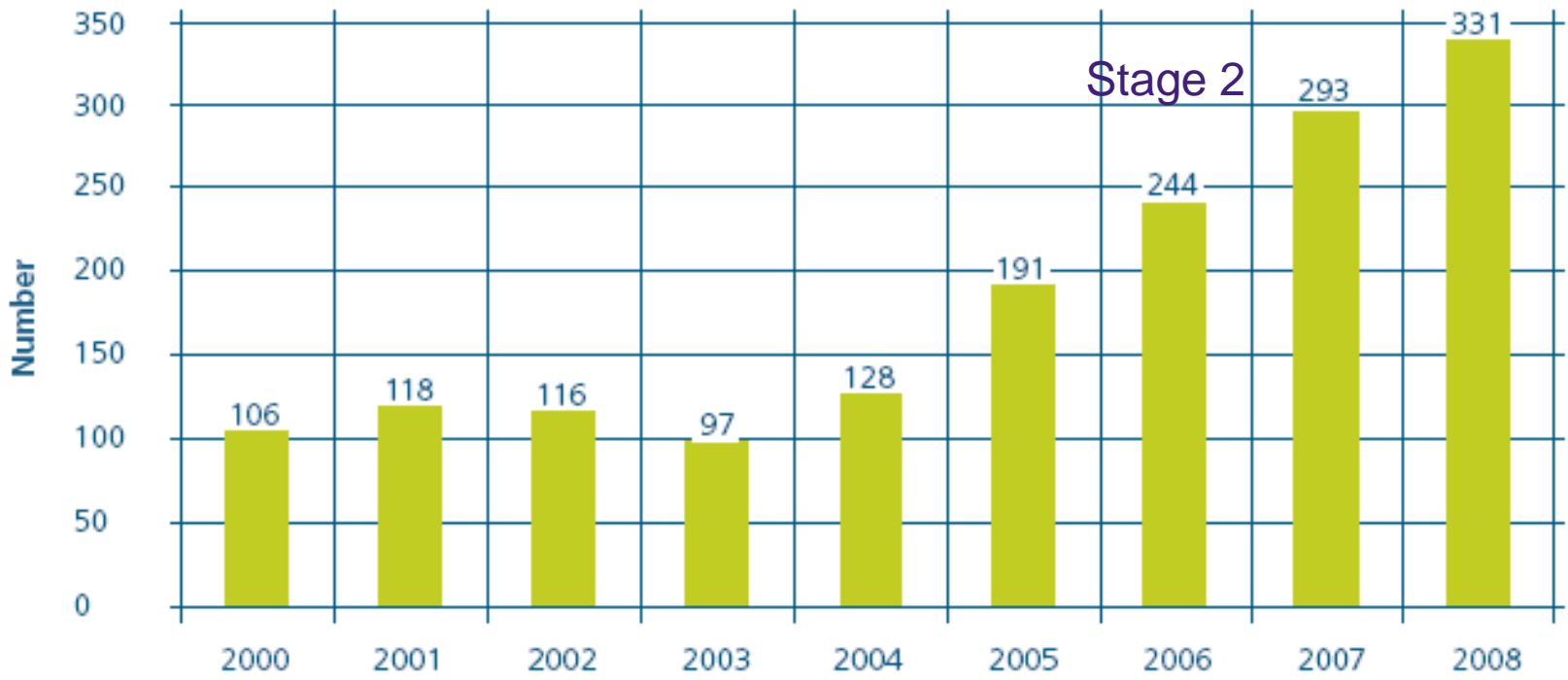


Number of people with disabilities who attended Workforce Industries during the year





Clients placed and supported into open employment by Elevator





Stage 3

- CEO resigns and board member steps in as CEO
- Recession hits
- Strategic direction redefined
 - Maintain supported employment activities
 - Light manufacturing & assembly remains
 - Introduce more work choices for employees - 1st Step gardens



Focus

- Employees and Clients
 - Integrated workforce sought in assembly operation
 - More choices of work types
- Learning and growth
 - Literacy and numeracy
 - Gardening course NZQA accredited



Focus

- Customers and market
 - Business development role introduced for industry
 - New services to VHN individuals
 - Partnering with successful US organisations to develop new business opportunities
- Financial
 - Losses expected in near term
 - Future focus on becoming financially independent and achieving scale



Conclusion

- Social Enterprise is and has been the way we work for many years
- Needs a strong governance & reporting model - Board/Management separation essential
- Employee involvement has been useful
- The pathway is not always straight!