

# Industrials

## US

Sector Overview

### Executive Summary > Overview

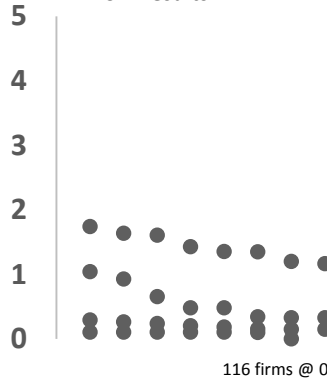
#### Top 3 Strengths

- Customer demand is explicit
- Natural fit with Veterans
- Senior management leaders emerging

#### Top 3 Weaknesses

- Total focus on compliance
- No vision to delight customers
- Talent/recruiting efforts poor

**TABLE A – Industrials Sector Peer  
RoD Results**



#### Executive Summary

There are 146 Industrial firms that qualify for our United States universe of 1011 firms. 9 of these companies rank in the top 100 in the United States.

Defense and government contractors dominate the players in this sector. This puts a unique twist on being highly attuned to customer demand – as the government is generally their largest customer and in essence a proxy for mainstream consumers (voters). This key customer is explicitly demanding that the firms hire People with Disabilities (PWD). Well-managed firms swiftly satisfy demand that is easy to uncover.

Airlines are also categorized as Industrials – and are generally poor actors in disability. With one exception in the U.S., airlines fail to own their customers needs and see ‘managing disability’ as a legal necessity. It is interesting that as Boomers age, their travel demands dovetail with PWD. Airlines are already struggling to cope with lines of wheelchair users who are above age 65, outsourcing this task to airports. These services are terrible, and miss a real opportunity to bond a fickle traveler to their brand. As airport redesigns occur, airlines must put these demands first as they improve the experience for all customers.

With a few exceptions, this sector gets recruiting wrong. Firms are resolutely focused on compliance or ‘doing the right thing’. A massive shift to a success-focused message must occur to satisfy customer (government) demand to hire PWD in material numbers.

Overall, opportunity exists to build significant value in PWD markets by reaching out to customers and engaging in activities to grow market share.

#### Overall Result



#### Customer Result



#### Talent Result



#### Productivity Result



**Sector Minimum**

**Sector Average**

**Sector Maximum**

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## The RoD Model > Capturing Shareholder Value

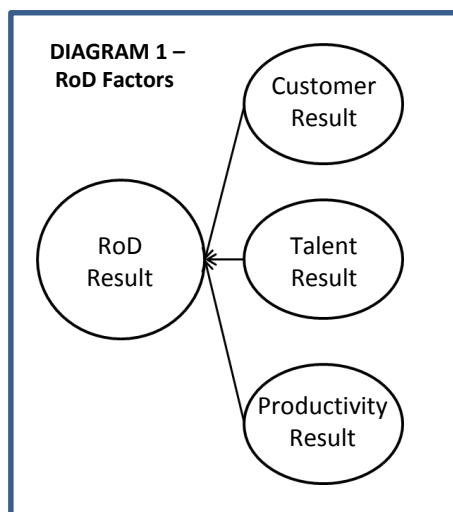
Cambridge Dictionaries defines shareholder value as “the total worth of a company to its shareholders”. Many things can increase shareholder value, such as new products and services, entering a new market, and streamlined operations. The basis of the Return on Disability model is to measure those activities relative to disability that add to shareholder value. Specifically, we identify actions that:

- 1) add to net revenue and/or
- 2) reduce ongoing operational costs

The 20 disability-related KPIs that RoD measures within organizations ultimately impact one of these two fundamental building blocks of value creation. We focus on value for one simple reason: to shift the disability paradigm from ‘added cost and effort’ to ‘added value’ by demonstrating the shareholder value of disability.

### **Customer** – *Delighted Customers Lead to New and Enhanced Revenue Opportunities*

For most established brands, finding a new way to talk to a mature market is the Holy Grail. From a purely demographic point of view, 53% of the entire consumer marketplace is touched by disability. The value-add comes from the ‘halo effect’ of talking about inclusion, empowerment and innovation that comes from a focus on disability. Consumer-facing firms drive top-line growth by leveraging insights from PWD, refining messaging, and incorporating insights from disability to enhance the customer experience.



### **Talent** – *Finding Great People and Keeping Them at Their Best*

The war for talent is real, and PWD represent a new pool to tap as part of the talent acquisition strategy. While the pool is real, it requires some effort to address. Understanding the space and connecting talent to core business goals are good first steps. Diversity recruiting has taught practitioners a few things: a) robust pipelines precede hiring; b) PWD must be attracted to the firm through brand appropriate messaging, and, c) done properly, the firm must be aligned internally on the rationale in hiring PWD. It is critical for companies to open their employee base to PWD in a robust way, which initially will be a high touch effort. Data and experience shows that this approach results in high productivity, higher quality and higher returns.

### **Productivity** – *Leveraging Insights from Disability to Drive Efficiency*

Innovation is born from extreme environments, solving for a set of demands outside the norm. PWD do things in ways that “Joe Average” just does not think about. They are extreme users of technology and infrastructure. If one can solve for ‘extreme users’, one innovates applications for the average user. By empowering a line worker with one hand; who happens to have low vision, to reduce a 100 step process to 23 (simply because it is easier for her), it just became easier for all while removing complexity and cost from the operation. Firms acting in this area today are seeing efficiency gains in the area of 20%. This can also be applied to product development.