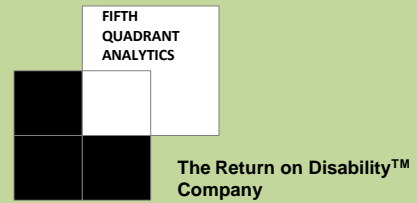


March 1, 2012

# Emerging Giant – Big is Not Enough

## The Global Economics of Disability



### A Market the Size of China

Representing a population of 1.1 billion, people with disabilities (PWD) are an emerging market the size of China. Their Friends and Family add another 1.9 billion potential consumers that act on their emotional connection to PWD. Together, they control over \$9 trillion in annual disposable income globally. Companies and governments seeking new ways to create value for stakeholders must begin acting to attract this newly unleashed cohort.

### Opportunity from Demographic Shifts

Since 1972, G10 economies have implemented laws that have created a legal platform for PWD to become equal members in the economy and society. The most successful of these laws are in education. The initial beneficiaries of these laws are now entering the workforce, controlling \$2.7 trillion in the United States alone.

The demographics of an aging population has created a 'bulge' of the wealthiest generation in human history. As Boomers' physical realities change, their need and desire to remain active in society dovetails with the demands of PWD.

The result is three generations of skilled consumers who have similar needs, evolved identities and significant spending power. Sectors likely to benefit from these changes are consumer products, retail, financial services, health care and the public sector.

### Measure Action to Create Value

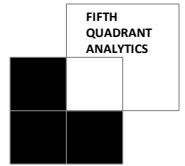
Big is not enough. Very little research exists in the marketplace around how these consumers act relative to their disabilities. Existing research focuses on medical condition, rather than personal identity and common aspects that trigger buying behavior.

Our primary research shows that 25% of companies in the S&P 500 have any publically observable activity relative to PWD. Of these 500 firms, 6% are acting in a way that creates material shareholder value. There is an open door for value seeking entities to reap the rewards of first mover advantage – connect with a material new market requiring low levels of additional investment. Firms must act today to seize this rare opportunity.

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# Introduction

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The last thirty years have seen dramatic changes around the globe for PWD. These changes have resulted in the identification of institutional value for a population previously marginalized by society, manifested in global civil rights legislation<sup>1</sup>. While these laws have given PWD a platform from which to project economic power, large gaps still exist between aspiration and reality. The next step must go beyond legal recognition, into market recognition.

The intent of this paper is to **inform those grappling with how to position disability as a new market segment, and speak to the market in an economic context.** In order to have meaningful, market-based discussions leaders must have common statistics and metrics that fits a business language set. This paper gives those who have never looked at disability a ‘taste’ of the top-line issues facing business today. Managers should use this document internally to bring their teams to a common level, provoke dialogue and use as a launching point to act on business/disability opportunities for their specific organization. This summary is to be viewed as ‘a mile wide, and an inch deep’.

Making up 1.1 billion people globally<sup>2</sup>, PWD represent a population the size of China. Unlocking the potential in this large subset of the global community has serious ramifications for GDP, public and private institutional cash flows and how economies grapple with an aging population. From the public sector prospective, an estimated \$300B is spent annually on services in the United States and more than \$135B is lost in tax revenue annually due to employment dislocations.<sup>3</sup> This represents a GDP impact of 3.35%, ignoring any multiplier effects, in-line with defense spending.

For the private sector, disability is not yet a material contribution to the profitability of the typical company. Regulation in G-10 nations have set hiring quotas, operating standards and tax measures to incent private business to include PWD as employees. While these efforts have not lived up to their intent, they have been successful in putting this item on the agenda of the private sector which may be the effort’s best result.

We find that as PWD gain more economic independence and influence over saving and spending decisions:

- There is no accepted economic or consumer research that is objective and rooted in industry practice to guide marketers and product development.
- PWD represent a large group of consumers whose identity goes beyond medical condition when making purchasing decisions.
- 25% of the Standard & Poor’s 500 companies publicly indicate an interest in this market. 6% of the S&P 500 backs that interest up with publically observable and measurable effort. Opportunity for first mover advantage still exists.

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1. 145 countries have signed the UN Convention on the Rights of Persons with Disabilities  
 2. Based on US Census data and respondents self-identification.  
 3. US BLS statistics on participation rate & unemployment rate. US budget data includes Medicaid/care and other transfers.

# Picture of the market – Top line demographics

## What is disability?

The world of disability has been rooted in medical terms for the last two centuries.<sup>4</sup> The standard medical definition is a condition that substantially limits one or more activities of daily living. Typically, that is seen as a physical or profound intellectual ‘impairment from the norm’ as defined by a clinician. For our purposes, we look at how an individual sees him/herself, or how society perceives that individual. For instance, an individual with a learning disability may not be deemed ‘medically disabled’ but having to develop strategic alternatives for interacting with one’s environment may cause them to have an internal identity as having a disability. **Identity is key, as it impacts the relationship between individuals and organizations as Customers and employees.**

## Raw numbers

The best source of data around self-identification of disability is in US Census methodology. The questions asked do not go to medical diagnosis, but rather to how one assesses their own functionality. **As of 2000, 49.7 million people, representing 19.3% of the non-institutionalized population above the age of five, self-reported a disability in the United States.** Making the logical assumption that disability does not recognize borders, and is a global phenomenon, **the global estimate of the population of PWD is 1.1 billion people.**<sup>5</sup>

Up to 30% of the aggregate income that flows to PWD comes in the forms of government transfer payments. In the US, approximately \$300B flows annually to PWD in direct, and indirect, transfers.<sup>6</sup> In addition, PWD control approximately \$247B in disposable income, the same amount as the US Hispanic community in 1990, before Latinos became a legitimate targeted segment.<sup>7</sup> Action in the Hispanic market helped define market trends in the late 90’s into the 2000’s – **the US disability market population is three times the size of the US Hispanic market.**

**Exhibit 1: Population and income data for PWD and their stakeholders**

	Global	USA	Canada	Europe	Asia
<b>PWD Population</b>	1.1B	50mm	6mm	152mm	692mm
<b>PWD Income</b>	>\$4.1T	>\$1T	\$137B	>\$3T	NA
<b>PWD Disposable</b>	>\$750B	\$247B	\$30B	\$500B	NA
<b>Friends &amp; Family Population</b>	1.9B	84mm	9mm	228mm	1.0B
<b>Friends &amp; Family Disposable</b>	>\$8.1T	\$2.4T	\$250B	\$5.4T	NA

Source: US Census, US Department of Labor, Statistics Canada, European Central Bank, IPS

4. The study has a long history in religion and warfare, but for our purposes we concentrate on 1970 onward..  
 5. 19.3%(global pop >5yrs of 5.85B) = 1.1 billion – source: US Census 2000, CIA World Book  
 6. A conservative number, based on federal, state and municipal budgets  
 7. Latino Families: Consumption and Purchasing Power, Bárbara J. Robles, PhD, Annie E. Casey Foundation

# Picture of the market – Top line demographics

## Segmentation – One size does not fit all

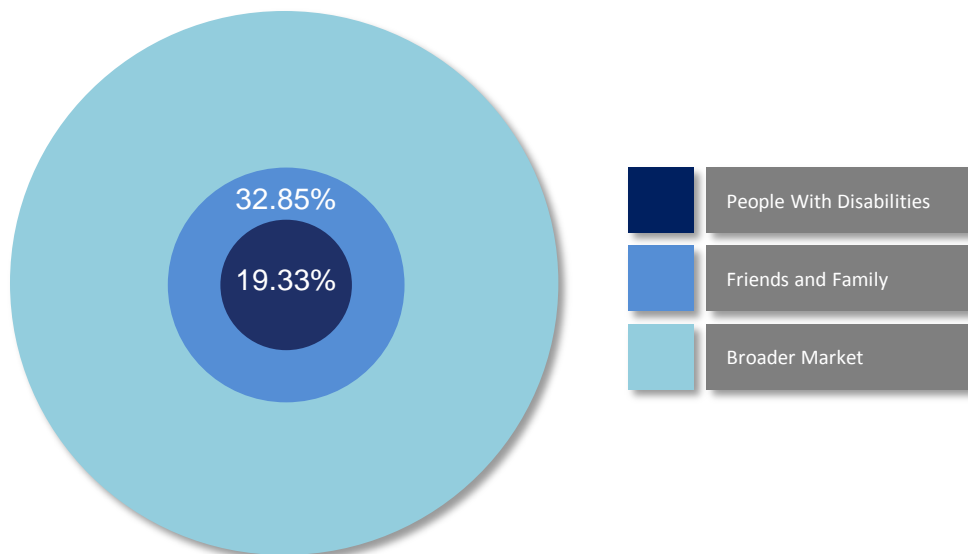
### *People with disabilities*

Players in this space are not just the wheelchair users, Braille readers and sign language gurus. These individuals, those with *visible* disabilities, make up less than 29% of PWD.<sup>7</sup> This is the group that has received the most public attention as it is easier for legacy programs to use visuals to deliver a fundraising message. **The vast majority, 71% of PWD have *invisible* disabilities like a learning or cognitive disability.**<sup>7</sup> These two groups have different identities around their disabilities, stemming from the fact that the manifestation of disability is, or is not, readily evident. **Note that we do not break down disability by diagnosis, as it is misleading from a consumer decision-making standpoint.**

### *Friends and Family*

Often referred to as ‘caretakers’, this large group represents family, friends and those that have an innate reason to understand disability and its impact on those that they have an emotional connection with. **Globally, this segment conservatively represents 1.9 billion consumers and employees, controlling more than \$8.1 trillion dollars in disposable income annually.**<sup>8</sup> These individuals have witnessed first hand the ‘challenges’ of interacting with mainstream infrastructure and attitudes that PWD face in daily life. They are passionate, driven by a mix of perceived injustice and an inefficient use of their ‘loved-one’s’ resources. **In formal discussions with this group, Friends and Family are ‘evangelists’, ready to act and ‘preach’ to others about the value inherent in PWD.** This has profound ramifications for companies seeking to drive brand loyalty amongst its Customers and increase retention of key employees.

**Exhibit 2: Demographic breakdown of PWD and their Friends/Family**



7. U.S. Census Bureau Current Population Report: Americans With Disabilities: 2002 (P70-107) by Erika Steinmetz.

8. Using a 2:1 ratio to PWD. Income assumed using mean levels in United States, Europe and Canada.

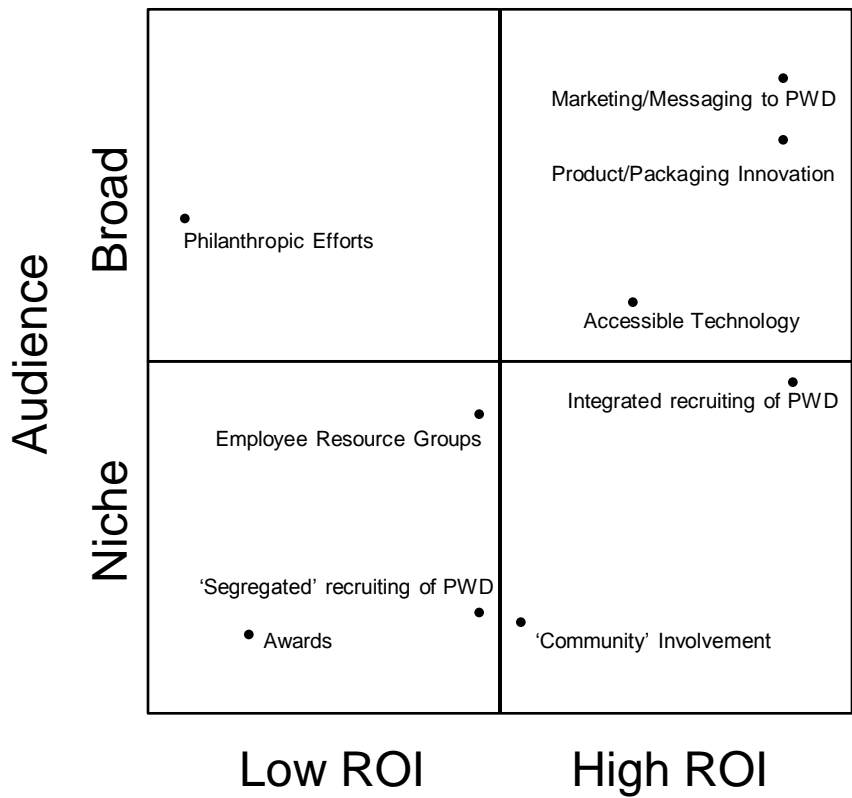
# Picture of the market – Top line demographics

## Baby Boomers

In the United States, Boomers represent a population of over 77 million people between the ages of 47 and 65, controlling an annual spending power of over \$2 trillion.<sup>9</sup> Evidence exists that the phenomenon of an aging population is global, and in G10 economies this segment has built more wealth than any generation in human history. Reality is that as the aging process progresses, the physical needs of this segment changes. **The measured prevalence of a disability above age 65 is 51.8%.<sup>10</sup>** Boomers have redefined every generation they have touched, from creating the ‘teenager’ to launching into middle age with gusto. These same individuals will not fade quietly into ‘senior life’, owning their identity as continuing consumers and employees. **Boomers are already demanding products, services and workplaces that adapt to their needs and desires.**

## The Broader Market

It is critical that disability be viewed as a part of a broader consumer and employee base. **The innovations and insights derived from disability are applicable to all, and if implemented effectively in terms of product development and messaging, can drive firm-wide ROI.** Simple examples like accessible environments being attractive to stroller-wielding mothers or package-toting buyers at the check-out benefits retailers by improving the Customer’s buying experience. **With the evolution of technology, there is a fine line between assistive technology and retail gadget.** When is a tablet a phone, when is it a translator and when is it a navigation tool to find the shortest route to Pepsi Max in the supermarket. **Cross-over applications are the ‘holy grail’ of business/disability efforts, and will drive growth in disability-related capital spending.**



9. <http://www.marketresearch.com/product/display.asp?productid=1466503>  
 10. US Census Bureau, Americans with Disabilities: 2005 Table 1

# Global regulatory environment

## Understanding Risk

### *What is the Risk?*

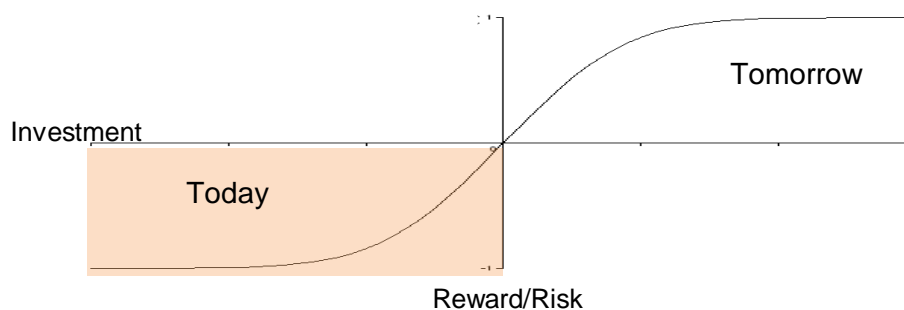
Any good manager understands the balance between risk and reward. The ideal approach is to attain the greatest possible return while keeping risk as low as possible. Often when dealing with diverse communities, risk is derived from being on the wrong side of an anti-discrimination law, producing an unintended cultural slight in outreach or simply not realizing that the constituency exists and not planning appropriately. Whether a firm realizes it or not, they are exposed to risk related to disability.

### *Risk to the Brand*

Firms today must be highly tuned to how the marketplace views them as a brand. The idea that a for-profit business can ignore Customer desires is simply a recipe for increased competitive pressure and reduced earnings. As disability moves closer to the forefront in society's mindset, mis-steps and omissions will garner more press and greater scrutiny by both Customers and lawmakers. We have seen several lapses around PWD in customer service garner front-line press in western markets, causing household brands to take negative hits on shows like Good Morning America and NBC Nightly News.

### *Explicit Regulation*

Governments around the world have put laws on their books at both the state and federal levels in relation to disability. These laws range from mandates in education for inclusion set in the 1970s, to infrastructure benchmarks for the public and private sectors to hiring quotas for PWD set in the 1990s. The results of these laws vary from country to country, with enforcement ranging from rigid in some European states to virtually non-existent in the United States. Observed penalties/settlements for infractions range from \$6mm in one US suit against a major retailer to daily non-compliance fines of \$100k under Ontario's incoming laws.<sup>11,12</sup> From a financial impact standpoint, these fines are not material to the bottom lines of firms and the volume of litigation does not warrant a focus on compliance.



11. <http://usefularts.us/2008/09/04/target-ada-accessibility-california/>

12. Accessibility for Ontarians with Disabilities Act, 2005

# Global regulatory environment

## Global Landscape



In the United States, there are three key pieces of regulation business needs to be aware of: Federal Affirmative Action Laws (OFCCP proposed rulemaking RIN 1250-AA02), the Americans with Disabilities Act – ADA (2009/1990) and the Individuals with Disabilities Educational Act – IDEA (2004/1975).

Federal Affirmative Action Laws (OFCCP proposed rulemaking RIN 1250-AA02),

On December 9, 2011 the US Department of Labor published a public notice of rule making to outline enforceable standards and targets that ‘largely’ equate disability with race/gender under federal affirmative action laws. The new rules surround key recruiting/hiring process, disclosure, records keeping and specific ‘targets’ for number of hires. The expected ‘enactment period’ is 2H12/1H13.

Ramifications for business – Simply put, all federal contractors and large firms who follow affirmative action standards will be mandated to hire people with disabilities. The key elements of these rules include – i. ‘effective outreach’ to PWD in recruiting efforts; ii. Disclosure and record keeping processes; iii. Alignment with ‘linked groups’ and iv. ‘targets’ for hiring PWD equal to 7% of a workforce. In our assessment, the proposed rules will provide little value to business or their intended targets. As written, the rules do not take into account subtle business/cultural nuance that align hiring managers with both their business and their employees interests. Furthermore, the 7% ‘target’ is triple those in other countries, which they cannot meet currently. On the positive side, it will cause business to act. We would encourage business to act in the interests of its stakeholders, rather than using this law as a strategy map for compliance.

### ADA

The ADA is a civil rights law that covers discrimination based on disability. It is intended to provide similar protections against discrimination to people with disabilities as the Civil Rights Act of 1964.

Ramifications for business – Companies should be aware of their obligation under Title III, which focuses on the “built environment” stating that new construction of facilities such as hotels, retail outlets and transportation ensuring “equal enjoyment” of goods and services. Costs of these changes must pass an interpretable hurdle of ‘reasonableness’. Awareness of ADA does not extend beyond firms’ legal departments today. The level of enforcement, which is low, must be a factor in setting appropriate strategy. Recent Department of Justice and court actions in New York City on accessible taxis may signal a change in enforcement.

### IDEA

IDEA governs how states and public agencies provide early intervention, education and related services to children with disabilities, addressing the educational needs from birth to age 26. In defining the purpose of ‘special’ education, IDEA 2004 clarifies Congress’ intended outcome for each child with a disability: students must be provided a Free Appropriate Public Education (FAPE) that prepares them for further education, employment and independent living.

Ramifications for business – Simply put, IDEA has created a generation of PWD who are better educated, have higher expectations and will drive their agendas as both consumers and employees. Consumer facing businesses and large-to-medium sized businesses need to set strategy to attract these individuals and those who identify with them. Across western economies, similar laws were enacted in the same time frame, creating a ‘bulge’ of well-educated and economically motivated PWD globally.



# Global regulatory environment

## Global Landscape



In Canada, there are two key pieces of regulation business needs to be aware of, the Employment Equity Act (1995/1986) and Accessibility for Ontarians with Disabilities Act – AODA (2005).

### Employment Equity Act

The stated purpose of this Law is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability. It also aims to correct the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and members of visible minorities. It promotes the view that employment equity means more than treating persons in the same way. It also means requiring special measures and the accommodation of differences. This law is applicable to the public service and all federally regulated private entities (government expenditures in Canada represents 44% of the economy). This law sets specific hiring quotas for its targeted groups and requires audits by the federal government at any time, typically every 4-6 years. Stated penalties range from \$10,000 to \$50,000 for repeat violations. All 'tribunal hearings' are public.

Ramifications for business – Businesses are charged with ensuring the compositions of their workforce includes a certain percentage of PWD at all levels of the firm. As a consequence, recruiting and retention strategies are critical to find, promote and retain talent that happens to have a disability. In 2008, in reviewing the law, the government stated that PWD remained under-represented and growth has been flat from 2001-2008<sup>13,14</sup>. Senior management positions are exceeding their benchmarks relative to market availability. Anecdotal evidence supports this, with business struggling to access tangible PWD talent pools. These pools do exist, yet business and their NGO partners have not been successful in attracting these individuals. As PWD recruiting moves to a market-based relationship, results will emerge as profit seekers develop messaging and value propositions to attract talent as disclosed PWD. Recruiting remains an area for strategic improvement for Canadian firms in the business/disability space.

### AODA

Explicitly recognizing the history of discrimination against PWD in Ontario, the purpose of this Law is: a) developing, implementing and enforcing accessibility standards in order to achieve accessibility with respect to goods, services, employment, and the 'built environment' on or before January 1, 2025; and b) providing for the involvement of persons with disabilities, of the Government of Ontario and of representatives of industries in development of proposed accessibility standards.

Ramifications for business – This is a very different approach to disability regulation, and is the first to focus on the concept of 'standards'. It rolls out, over time, specific compliance measures for customer service, employment, 'built environments', transportation and information/communications technology. Penalties for corporations are capped at \$100,000 per day for non compliance to the standards. The first set of standards surrounds customer service processes, mostly around awareness by front-line employees about PWD as a Customers. Compliance to the customer service standard by the public sector was due by end of 2009 and by the private sector by end of 2011. Other standards are being phased in by 2017. **If effective, this law has the potential to be replicated nationally and globally. It is specific, and has teeth on the enforcement side.**

13. <http://news.gc.ca/web/article-eng.do?m=%2Findex&nid=459759>

14. [http://www.abilities.ca/work\\_money/2009/06/25/employeequityact\\_annualreport2008/](http://www.abilities.ca/work_money/2009/06/25/employeequityact_annualreport2008/)

# Global regulatory environment

## Global Landscape



In the European Union, there are two levels of regulation business needs to be aware of, at the EU level, the Employment Equality Directive 2000/78/EC and various national equality laws. In general, the national laws are more stringent, yet the over-all aims are aligned.

The EU Strategy and the Employment Equality Directive 2000/78/EC

According to the European Commission of Employment and Social Policy, the following pillars represent the focus on the EU around disability through 2010:

1. Anti-discrimination Legislation – Directive 2000/78/EC, Anti-Discrimination Programme
2. Elimination of Environmental Barriers – Obstacles preventing PWD from exercising their abilities
3. Mainstreaming Disability Issues in Community Policies – Facilitate active inclusion of disabled people
4. Mobilizing Stakeholders Through Dialogue – Civil society and other stakeholders

On the legislative front, a Directive establishing a framework for equal treatment in employment and occupation on the grounds of religion or belief, disability, age and sexual orientation (Council Directive 2000/78/EC), expanded the scope of discrimination beyond race and gender.

Ramifications for business – Similar to Canada, the EU has adopted specific outcomes to go beyond general legal protections under umbrella rights codes. It is also clear that EU efforts are in flux, adapting to both national legal frameworks and pioneer support for the UN Convention on the Rights of People with Disabilities. Given a culture that leans more on courts and coercive regulation, close attention needs to be paid to compliance by EU businesses. As with all global regulation, we believe compliance to be a 'low hurdle' if ROI frameworks are properly applied to business/disability.

National Laws – Disability Discrimination Act – United Kingdom

The Disability Discrimination Act 2005 outlines a framework of laws, based on the concept of 'equal treatment', around employment, education, and access to goods, facilities and services. The Act requires public bodies to promote equality of opportunity for disabled people.

The 'quota' system, which originated in Europe, has its roots in a 'social obligation' model, manifested by benchmarks set in most national laws. These laws state that all companies over a certain size (25 employees), must hire PWD. Germany, Spain, France, Poland and Denmark are countries that have quotas in place ranging from 4%-6% of the workforce.

Ramifications for business – Quota systems, both quantitatively and qualitatively do not work. In practice, firms are unable to hire PWD without real systems change geared to attract talent. The notion that an HR/Recruiting team can throw open its doors to a rush of qualified PWD is wrong, and has been proven anecdotally by HR managers who have attempted to hire numbers regardless of talent. Quotas also set up a parallel system whose employees are perceived as less talented in the minds of managers and in the minds of the employees themselves.

# Global regulatory environment

## Global Landscape



In an effort to codify common ground amongst PWD across international borders, the United Nations 'complex' developed a Convention whose stated aim is for 'countries that join in the Convention engage themselves to develop and carry out policies, laws and administrative measures for securing the rights recognized in the Convention and abolish laws, regulations, customs and practices that constitute discrimination (Article 4)'.

The UN Convention on The Rights of Persons with Disabilities provides a recognized international legal framework/platform for PWD in one document. This creates common language for the international community to bring countries quickly up to speed on minimum standards and best practice around inclusion of people with disabilities in the economy, societal institutions (legal/education/political) and the infrastructure around them.

Countries that ratify the convention will also have to report regularly to the UN about the steps they are taking to protect and promote PWD's basic rights, as in the developing world, these tend to lag more established goals. 153 countries have signed the convention, with 110 having ratified as of February 1st, 2012.

Ramifications for business – The nature of the UN makes this convention a non-event on the legal side. Its existence, however, represents a signal that business must pay heed to. Much like gender and race, disability now has international frameworks and platforms to both fund and organize around. This convention provides common language and objectives for those in many locations to bring pressure, both negative and positive, to those firms offering goods and services locally. Activists and governments can now lever the convention to put in place campaigns and laws into environments where there was little around disability before. There is clear evidence that this organization is approaching other key consumer groups in its sophistication. While the vast majority of effort is in the political arena, more attention is being paid to issues of economics and brand attachment.

For multinational companies in particular, domestic disability approaches may be inefficient. If a firm needs to get up to speed on disability, it may make sense to look at all locales where revenue generation occurs and set global benchmarks that pay attention to broad 'spirit' of the law and business practices, rather than narrow compliance 'check-lists'. This ensures process is in place upon entry into new markets and for the inevitability of changes to legal frameworks.

A brand opportunity also exists here. The UN and its member states are hungry to develop partnerships around the convention. A global company seeking to differentiate and demonstrate 'Performance with Purpose' has the opportunity to partner with this framework and be seen as driving its implementation. Governments do not understand how to translate the convention's goals into a corporate environment and will need 'guinea pigs' or leaders to show the way. This leadership opportunity is there today.

# Current Perceptions of Disability

## A brief evolution of western perception of disability

### The Medical Model

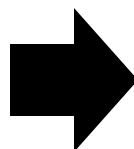
The medical model defines disability as a condition from the perspective of diagnosis, directly caused by disease, trauma, or other condition which requires sustained medical care. Management of disability is aimed at a "cure" or an effective cure. Medical care is viewed as the main issue, with all efforts spent on achieving an outcome as close to the 'norm' as possible. Offshoots of this approach are charitable efforts that fund medical research and segregated care, typically using PWD as fundraising 'tools' to evoke pity/fear/emotion to assist potential donors in parting with their money. This model was dominant prior to 1975, and is still forefront on the minds of those who preceded the baby-boomer generation.

### The Social Model

The social model of disability focuses on the full integration of individuals into society, roughly equivalent to the efforts of the civil rights movements of the 1960s. Disability is viewed as an attribute of an individual, not as a defining diagnosis. One of its main tenets revolves around the collective responsibility of society to adapt the environment for the full participation of PWD. The main levers are laws and not-for-profit advocacy groups that strive to forward inclusion for inclusion's sake, the main messages being 'it's the right thing to do' and valuing contributions to society. Self-advocacy has driven this model, as PWD began to demand better lives and had a voice in their own futures. This is the minimum expectation today in the developed world, although translating the broad concept into on-the-ground reality still poses a challenge.

### The Market Model

The market model of disability recognizes PWD and their Friends/Family as representing a large group of consumers, employees and voters. This model looks to personal identity to define disability and empowers people to chart their own destiny in everyday life, with a particular focus on economic empowerment. This model states that, due to the size of the demographic, companies and governments will serve their desires, pushed by demand, as the message becomes prevalent in the cultural mainstream.



# Current Perceptions of Disability

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## The PWD Segment – Economic Progress Through Inclusion

The narrative of people with disabilities in western cultures tracks a similar evolution from discrimination to inclusion of other previously marginalized minority groups. Since the civil rights movement of the sixties, western economies have seen the value that comes with attracting new market in women, racial minorities and GBLT. The same is becoming true for people with disabilities.

The potential economic progress through reaching people with disabilities is even greater, for several reasons.

First, people with disabilities cross all gender, ethnic, and geographic barriers. Second, unlike the attributes defining other minority groups, disability is fluid. Some people are born with a disability, while most acquire a disability later in life. Moreover, most everyone, through illness or injury, will become temporarily disabled at some point in life.

In this respect, targeting people with disabilities is an attractive opportunity. Policy and business strategies focused on addressing accessibility needs (both functional and emotional) for the disability market end up addressing access needs across every segment of society. Furthermore, many of the innovations that make products, services and communications more attractive to people with disabilities add value for typically-abled segments as well.

The very characteristics that make this segment attractive, however, also make it difficult to define and target with relevant product innovation and brand messaging. Within the broad segment of people with disabilities is a range of disparate physical, sensorial and cognitive needs. From a psychographic perspective, there is an equally diverse range of emotional and personal identity needs. For any group of people that shares a particular disability, there is still a range of ways in which each individual relates to that disability, depending on their generational, economic, educational and ethnic disposition. With such a diverse range of functional needs and personal identities, an organization or brand must identify a common thread with which to align itself.

For other minority groups, common rituals, traditions, values and physical traits paint a portrait of a distinct, foundational identity. For people with disabilities, the common underlying characteristic is not a set of rituals, traditions or values but rather a shared awareness that the societies and environments in which they exist are not automatically designed to allow them to function to their full capability. People with disabilities must continually consider and develop alternative paths to accomplish common tasks. The need to constantly innovate in order to make environments, products and services more accessible is the key characteristic of this segment's foundational identity.

The implication for companies and brands seeking to access this segment is to align their interests with the unifying identity of people with disabilities rather than concentrating the conditions themselves. By focusing energy toward the unifying identity of these pragmatic innovators, they not only begin to address the PWD segment in a meaningful way but also establish an ethos that will help make their products and brands more attractive to everyone.

Because of the fluid and diverse nature of the PWD segment, a company that is committed to innovating product, messages and experiences that increase attraction for people with disabilities, by extension, becomes a company with a commitment to exceptional attraction for all of its Customers and employees. Similarly, a brand that stands for innovations and messaging that supports greater inclusion of people with disabilities, by extension, stands for innovations and messaging that support greater inclusion for everyone.

# Public Sector Response

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## Evolving legacy through bureaucracy

To understand current government approaches to disability, one must take a historical perspective. The view of disability in the first half of the 20<sup>th</sup> century was one of caretaker and protector, grounded in the war wounded of WWI. Programs were set up to sustain PWD, without any expectations of integration into society. In the last 30 years, society has come to focus on inclusion and disability being part of the human experience. Government programs have struggled to catch up to society's views, with the bureaucracy's focus on continued service delivery, not on what they are actually delivering.

Current government policy/programs can be broken into three general areas of interest for business:

### The Big Three

#### Education

One area where government has had success in disability is in education. Prior to the 1970s, disability was a badge that led to the sidelines at schools and institutions of higher learning. Today in the US, there are 2.2mm declared PWD enrolled in university, roughly 11% of the student body.<sup>15</sup> That figure has doubled since 1996. Throughout elementary and secondary schools, process has evolved to ensure that the overwhelming majority of PWD get an opportunity to realize their talents. **For governments, this represents a dual fiscal win: less need for program spending on income transfers and a new, significantly sized tax base. For business, this government success represents a new Customer and an untapped talent pool.**

#### Employment/Income Support

Most western governments have some sort of income support system set up for 'unemployable' PWD. In the US, the approximate annual budget of Social Security Disability Insurance(SSDI) is \$109B.<sup>16</sup> This does not include various programs like the Vocational Rehabilitation System and various non-profit iterations. The historical context of these efforts lies in 'care-taking' of PWD, rather than 'empowering' to chart their own course. Anecdotal evidence says that these programs represent a barrier to employment, as the binary nature of the benefits add to the risk to the individual of building a career. **Governments must focus on the goal of employment for PWD and align the incentives for individuals to become productive taxpayers. This will require massive structural change.**

#### Anti-Discrimination Legislation

Modeled after civil rights laws, western governments have raced to enact various laws to 'enshrine' PWD in the parade of equal rights. Focusing on physical access and the workplace, these 'standards' have given an avenue of recourse that citizens did not have before. The results of these laws are mixed. There is evidence that they have fostered discussion and awareness around disability. Elusive still are the expected broad behavioral changes of institutions and concrete results of increased participation and leadership of PWD in society. Penalties and compliance to these laws are not today's focus. **While these laws have not caused broad societal change, they certainly signal society's intent.**

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15. (U.S. Department of Education, National Center for Education Statistics 2003-2004 Postsecondary Student Aid Study)

16. [http://www.socialsecurity.gov/policy/docs/statcomps/di\\_asr/2008/](http://www.socialsecurity.gov/policy/docs/statcomps/di_asr/2008/)

# Private Sector Response

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## Business Discovers Disability?

**Business has yet to discover disability as an Emerging Market.** While diversity has taken hold in most large corporate entities, the concept of ‘diversity’ as an end is held with skepticism by many leaders, as the field has struggled to link financial performance to the goal of a ‘diverse’ workforce. Most large businesses have disability on their radar, but it lags far behind other ‘minority markets’. **It is typically driven by the General Counsel, via risk management efforts relative to various sets of regulation.**

Studies and surveys have shown large businesses have an interest and efforts related to PWD. These surveys tend to be driven by agendas that are not linked to the prime reason a business exists, to earn a profitable return for owners. Concrete evidence of activity in the marketplace is incongruent with oft-quoted government and NGO surveys, indicating interest in disability greater than 90%. (see page 16).

There are leaders in the space that have recognized the opportunity to attract a new Customer and employee base while projecting a brand message of ‘Shared Value’. Their efforts generally follow the below practices:

### The Big Three

#### Speaking to the Customer

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, the 53% of the marketplace that PWD touch is attractive. The value-add comes from the ‘halo effect’ of talking about inclusion, empowerment and innovation derived from a focus on disability. No company is unabashedly talking to the market or capitalizing on the halo today. This is a meaningful opportunity to be a first mover in a marketplace of size and spending strength before it becomes top of mind like ‘Green’ did seven years ago.

#### Innovation Capture for Research and Development

Innovation is born from extreme, solving for a set 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. Figure out a process for a young mother with one hand; who happens to have low vision, to find a bag of corn chips in a grocery store, buy it, open it and consume it while meeting her desired Customer experience, and it just became easier to buy, open and consume for every Customer. Here is the magic, tell the world that you innovate this way and charge more for a commoditized product. These type of opportunities are rare today, yet here is one staring Product Development teams in the face.

#### Talent Sourcing

The war for talent is real, and PWD represent a new pool to tap in driving 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) parallel systems do not work, employees must be fully included; b) passive approaches (websites/job boards) are a waste of resources, and, c) done properly, recruiting diverse populations uncovers new talent and becomes a self-sustaining effort. 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.

# Private Sector Response

## A Race to the Starting Line – An Analysis of the S&P 500 Companies and PWD



**An analysis of Standard and Poor’s 500 companies demonstrates that 25% of these firms show any kind of business related mention of disability, an increase of 3% since 2010.** Exhibit 3 is a corollary of best practices currently being employed by large companies in the United States as evidenced by their websites, marketing materials and conversations with their agents. Our experience shows that these efforts are rarely backed up by Strategy, Process or Budget. **Of these 500 firms, 6% have meaningful external representation of interest in the disability space. By meaningful, we refer to mention of intent /interest in disability and publically observable efforts to back-up the intent.**

This research is based on publicly observable efforts in company materials, retail audits and 10 years of observation of the space. In our opinion, if a firm does not ‘talk’ about what they do, it does not exist. We do not consider NGO awards or philanthropic efforts as legitimate evidence of results in business/disability. **We note the dramatic uptick in activity in exhibit 3 versus a slight uptick in firms engaging. We conclude that those already acting are seeing benefits, and are increasing their activity.**

**Exhibit 3: Visible best practice currently employed by S&P 500 firms**

Visible Effort	# of Firms 2010	# of Firms 2012	% Change
Employee Resource Groups focused on PWD & Stakeholders	26	43	65%
Visible evidence of accessible website	26	44	69%
Accommodations statement for recruiting	17	31	82%
Accessibility statement for web access	8	26	225%
Dedicated site for PWD	7	20	186%
Models with visible disability	6	16	167%
Affinity with National Business Focused Group	5	10	100%
Specific recruiting outreach to PWD	3	10	233%
Business Unit focused on PWD	2	6	200%
Specific mention in Diversity section of PWD	2	8	300%
Product development for Customers with disabilities	2	17	750%
Community/NGO employment partnerships	1	0	-100%
Disclosure invitation	1	1	0%
Stated Executive commitment	1	6	500%
Statement on leadership efforts within Community	1	1	0%

### Best Practice in the Marketplace Today

#### *Employee Resource Groups (ERG)*

These official bodies, populated by PWD and Friends/Family, champion efforts around disability within the hierarchy of the company. The purpose of these groups is to lever knowledge to meet competitive challenges, maximize shareholder value and fully engage employees. These groups can serve as a bridge between championing initial efforts and integrating process into business units. It requires very little capital, adds to the institutional knowledge of the firm and is a good way to signal to internal and external constituents that disability is on the company radar. While ERGs are not an end in themselves, they represent a significant initial step to understanding the ‘blocking and tackling’ in this marketplace.



# Private Sector Response

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## Best Practice in the Marketplace Today

### *Models with a Visible Disability*

An easy way for a firm to signal its interest in the market of PWD is to include visual and/or auditory cues of PWD in their external communications such as advertisements and websites. Today, about 3% of the S&P 500 is involved in this practice, up from 1% in 2010. Given the size of the market, and the ease of which this can be done, this represents a good opportunity for activation. The one caveat is that there exists today almost zero expertise or consumer data on this market. In our experience, ad agencies and brand professionals tend towards the philanthropic message rather than a consumer-driven message. Real data and consumer research is needed to unlock the potential in these activities.

### *Visible Evidence of Accessible Website*

This item is low hanging fruit in the business/disability space. Making websites accessible is a well-known, extremely capital efficient endeavor that has observable results. In the S&P 500, only 44 firms have visible evidence of these efforts. These are many simple ways to do this, such as:

- Text size modifiers
- Accessibility statements
- Standard adherence ‘marks’ – WAI, W3C etc
- Text version of the website

It should be noted that this is one area of high risk of litigation because the measurement of activity is so clear, it is a simple exercise to demonstrate that a website is not accessible. There have been high profile lawsuits against retail brands that have settled out of court in the \$6mm range<sup>17</sup>. The dollar settlement is small relative to the damage done to the brand due to publicity. This should be priority one for firms looking to deploy capital in the business/disability space.

### *Accommodations Statement for Recruiting*

These are statements, usually linked to Career pages, that state that a company will provide accommodations to job applicants who require them. They are usually accompanied by a contact phone number or email. On the surface, these seem like a good idea. However, this is a more complex and nuanced effort in the eyes of those who are on the disclosure end. **After analyzing these statements, it is clear the vast majority of them are aimed at ensuring legal compliance, not attracting talent that may have a disability.** One such statement, whose owner is disguised, let their lawyers go a bit too far:

*“In accordance with applicable federal and state laws, Firm XYZ will attempt to reasonably accommodate qualified individuals with known disabilities unless doing so would create an undue hardship on Firm XYZ.” – Firm XYZ website (name changed)*

Sounds inviting. This is a clear example of an attempt to comply with the law that will make a company a bigger target, and will provide no legal cover. These ‘negative’ statements still dominate the sample.

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17. <http://usefularts.us/2008/09/04/target-ada-accessibility-california/>

# Private Sector Response

## Who is the Best? – The S&P 500 Analysis

Fifth Quadrant analyzed the S&P 500, scoring each company on disability with respect to corporate profitability using the Return on Disability (RoD) Rating System. The RoD Rating System is a proprietary fundamental analysis tool that measures any company’s activity in the disability space as it relates to the creation of shareholder value. Drawn from a universe of business drivers – focused on customers, employees and productivity – RoD measures 19 publicly observable data points. The data points are subsequently weighted to reflect the relative importance in value creation for each company. The result is one number – The RoD Score.

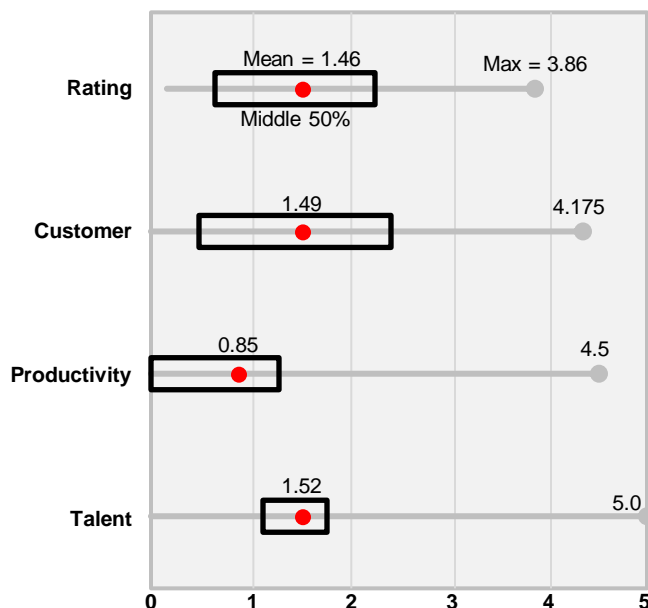
**The most striking part of the analysis of the S&P 500 is that 382 companies do not register a score, because there is no publically observable activity relative to disability.** Of the 118 companies that do register a score, Exhibit 4 displays the aggregate analysis of the top 100. A score of 0 is low, while a score of 5 is high. We observe that even amongst the top 100 companies there is significant room for increased value creation and enhancing competitive advantage. One interesting observation is that the level of activity in the Customer category is equal to the activity in the Talent category. That is in contrast to the ‘chatter’ in the market, which is overwhelmingly focused on talent. This points to a disconnect between message, action and result.

We observe that the top 25 are clustered fairly tightly around a score of 2.5. This sets a short term benchmark for firm activity, in that there needs to be competitive reasons to push further. It is also abundantly clear that improving one’s score would not take great effort, especially for the 382 companies that do not register a score. Given the market size, and the low level of initial investment required to be in the top 100, it is our assessment that competition will drive these scores higher.

This is the first time analysis has been done at the corporate level and completed via a measurement system that allows a like comparison based on economic value creation. It will be interesting to track this data over time to measure corporate progress vis-à-vis disability and its impact on value creation.

**Exhibit 4: Aggregate data of RoD Scores for the Top 100 Companies in the S&P 500**

	Mean RoD Score	Minimum RoD Score	Maximum RoD Score
Overall Score	1.47	0.21	3.86
Customer	1.51	0.00	4.18
Productivity	0.85	0.00	4.50
Talent	1.52	0.00	5.00
1 <sup>st</sup> Quartile	2.67	2.19	3.86
2 <sup>nd</sup> Quartile	1.70	1.27	2.19
3 <sup>rd</sup> Quartile	1.03	0.75	1.25
4 <sup>th</sup> Quartile	0.43	0.18	0.73



# Private Sector Response

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## Who is the Best? – Sector Leaders Showing Real Returns

As a result of the analysis of the companies that make up the S&P 500, our research has identified firms that are best in class – what we deem Sector Leaders. To qualify as a Sector Leader, these firms attained the highest RoD Score in their sector, having a minimum score of at least 2. Those sectors that did not register a minimum Score of 2 are left vacant. These are the firms that qualified as Sector Leaders in the Return on Disability Ratings system as at March 1, 2012:

### *Consumer Discretionary - Walt Disney Companies*

The Disney theme park is a stunning example of through-put efficiency. They have designed these establishments to move a large number of Customers through as quickly as possible, with a laser-like focus on maximizing the Customer experience. Built into these parks are numerous design features that make the experience possible, and often superior, for PWD. The ‘magic’ of how Disney deals with disability is how they talk about it. It is not a compliance issue, it is part of making the Customer delighted. They have also tapped into the cross-over effect, leveraging innovations from PWD to apply to all guest’s experiences with hand-held park guides, scooters for all, and alternate pathing creating a barrier-free physical environment. If you want to see a happy mother, watch a mom seamlessly load her daughter from her wheelchair onto Space Mountain. It’s a coin-flip which one of those Customers is more delighted. What is a certainty is the brand equity built with mom and girl. That translates into Mickey hats, Goofy dolls and repeat purchases of Pixar movie tickets.

### *Consumer Staples – PepsiCo*

The Super Bowl is the biggest advertising event of the calendar year. In 2008, Pepsi chose to use one of its slots to air a silent commercial, squarely aimed at the disability market. The commercial is called ‘Bob’s House’, having collected over 4.5mm YouTube hits and acclaim both inside and outside the disability community. They followed that success with a Gatorade ad including Jason McElwain (“J-Mac”) alongside other celebrated athletes. These messaging efforts signal PepsiCo’s interest in the market. Pepsi has also developed public relationships with leading third party recruiters of talent with disabilities. This signals interest in attracting great candidates who happen to have a disability.

### *Energy – Vacant*

### *Financials – Bank of America/Merrill Lynch*

Aside from capital, banking is driven by two primary factors: knowledge and relationships. The financial industry spends a large amount of time and money finding and attracting great people to drive both of those factors. Bank of America/Merrill Lynch has developed strong bonds with third party recruiters. Bank of America/Merrill Lynch seeded Lime Connect, recognized as one of the US Department of Labor’s examples of recruiters with a ‘track record of hiring success’. A key part of developing banking relationships is a hospitable environment to customers. BofA’s web and branch networks contain many observable attributes that bond customers in the disability market to them.

# Private Sector Response

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## Who is the Best? – Sector Leaders Showing Real Returns

### *Health Care – WellPoint*

The Health Care industry tends to get disability wrong – simply because people with disabilities are viewed as clinical patients as opposed to Customers. WellPoint signals that it not only understands the Customer relationship, but has gone out of their way to attract Customers with disabilities. In their marketing materials they portray positive images of people with disabilities. On their website, they have partnered with a company called EAccessibility to both make their site more accessible and to signal to the market that disability is important to them.

### *Industrials – CSX Corporation*

CSX partners with leading third party recruiters to build a pipeline for the company to attract people with disabilities. The company has made numerous public statements about the company's and its executives' commitment to both hiring people with disability and being inclusive of all stakeholders.

### *Information Technology – Apple Inc.*

Apple is considered to be a leader in seamless integration of technology and ease of use – this core company ethos translates well in the disability market. The iPad and iPhone have become 'insanely' popular in disability circles for two simple reasons – they are easy to use and they look great. Techies will tell you about the bells and whistles for 'accessible use', but the market does not care. Users ask – "Does it work, and do I look good doing it?" Apple answered "Yes."

### *Materials – Vacant*

### *Telecommunications Services – Vacant*

### *Utilities - Vacant*

# Private Sector Response

## Regulation Stifles Innovation– An Analysis of the TSX Composite Firms and PWD



**An analysis of the 254 companies that make of the S&P/TSX Composite Index demonstrates that 26% of these firms show any kind of business related mention of disability.** Exhibit 5 is a corollary of best practices currently being employed by large companies in Canada as evidenced by their websites, marketing materials and conversations with their agents. Our experience shows that these efforts are rarely backed up by Strategy, Process or Budget. **Of these 254 firms, 8% have meaningful external representation of interest in the disability space. By meaningful, we refer to mention of intent /interest in disability and publically observable efforts to back-up the intent.**

This research is based on publicly observable efforts in company materials, retail audits and 10 years of observation of the space. In our opinion, if a firm does not ‘talk’ about what they do, it does not exist. We do not consider NGO awards or philanthropic efforts as legitimate evidence of results in business/disability. **We note the activity in Canada is primarily driven by regulation, with few firms appealing to the business case. This is in stark contrast to activity in the United States.**

Observations reveals a remarkable focus on legal compliance in Canada. This is due to national and provincial laws that cover employment and customer service practices. The culture of diversity is also less developed in Canada then in the United States. This is likely due to the size of consumer markets and the perception amongst most individuals that disability is a niche market.

There are some other notable observations in the Canadian market. Activity on the web is at a much higher proportion in Canada. Both visible activity and dedicated sites for PWD is more mature relative to the United States . It is also clear that this activity is driven by compliance by the language and dearth of visual appeal in these sites. **The biggest challenge for Canadian companies is to avoid the ‘compliance trap’, in that mere compliance will not lead to outstanding business results.**

**Exhibit 5: Visible best practice currently employed by S&P/TSX Composite firms**

Visible Effort	Canada	US
Employee Resource Groups focused on PWD & Stakeholders	6	43
Visible evidence of accessible website	38	44
Accommodations statement for recruiting	4	31
Accessibility statement for web access	14	26
Dedicated site for PWD	22	20
Models with visible disability	17	16
Affinity with National Business Focused Group	7	10
Specific recruiting outreach to PWD	7	10
Business Unit focused on PWD	0	6
Specific mention in Diversity section of PWD	8	8
Product development for Customers with disabilities	5	17
Community/NGO employment partnerships	1	0
Disclosure invitation	0	1
Stated Executive commitment	1	6
Statement on leadership efforts within Community	0	1

# Private Sector Response

## Who is the Best? – The S&P/TSX Composite Analysis

Fifth Quadrant analyzed the S&P/TSX Composite Index, scoring each company on disability with respect to corporate profitability using the Return on Disability (RoD) Rating System. The RoD Rating System is a proprietary fundamental analysis tool that measures any company’s activity in the disability space as it relates to the creation of shareholder value. Drawn from a universe of business drivers – focused on customers, employees and productivity – RoD measures 19 publicly observable data points. The data points are subsequently weighted to reflect the relative importance in value creation for each company. The result is one number – The RoD Score.

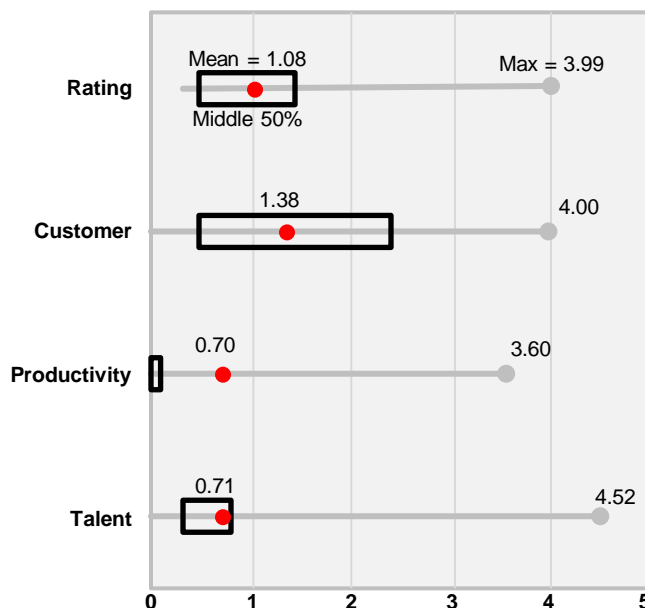
**Similar to the S&P 500, 190 companies within the S&P/TSX Composite do not register a score, because there is no publically observable activity relative to disability.** Of the 64 companies that do register a score, Exhibit 6 displays the aggregate analysis of the top 50. A score of 0 is low, while a score of 5 is high. We observe that even amongst the top 50 companies there is significant room for increased value creation and enhancing competitive advantage. One interesting observation is the average score in Canada is 0.39 points lower than the US, reflecting a greater focus on regulatory compliance., Talent scores can only be described as poor, in line with anecdotal evidence from recruiters who struggle to fulfill mandates that are legal in nature. **It is very difficult to attract talent if messaging says ‘the law requires us to hire you’.**

We observe that the top 10 are clustered fairly tightly around a score of 2.5. The majority of these are financial institutions who have struggled with government mandates for the last 20+ years. The best of these are just now learning to ‘get out of their own way’, approaching PWD as a market. **The percentage of companies acting in Canada is only slightly higher than the US, while the scores of the top firms are somewhat lower. This may demonstrate that business case trumps regulation, having profound ramifications for policy regimes in the future.**

Note that the top score in North America rests with a Canadian bank – Toronto Dominion Bank.

**Exhibit 6: Aggregate data of RoD Scores for the Top 50 Companies in the S&P/TSX Composite**

	Mean RoD Score	Minimum RoD Score	Maximum RoD Score
Overall Score	1.08	0.16	3.99
Customer	1.38	0.00	4.00
Productivity	0.70	0.00	3.60
Talent	0.71	0.00	4.52
1 <sup>st</sup> Quintile	2.58	1.75	3.99
2 <sup>nd</sup> Quintile	1.28	0.92	1.66
3 <sup>rd</sup> Quintile	0.82	0.70	0.92
4 <sup>th</sup> Quintile	0.45	0.35	0.63
5 <sup>th</sup> Quintile	0.27	0.16	0.35



# Private Sector Response

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## Who is the Best? – Sector Leaders Showing Real Returns

As a result of the analysis of the companies that make up the S&P/TSX Composite Index, our research has identified firms that are best in class – what we deem Sector Leaders. To qualify as a Sector Leader, these firms attained the highest RoD Score in their sector, having a minimum score of at least 2. Those sectors that did not register a minimum Score of 2 are left vacant. These are the firms that qualified as Sector Leaders in the Return on Disability Ratings system as at March 1, 2012:

### *Consumer Discretionary – Shaw Communications Inc.*

Shaw demonstrates their understanding of this market by going beyond mere compliance and treating PWD as a valued segment of their Customer base. It is clear in accessing the website and speaking with their Customer Service folks that there is thought and process behind what they do with respect to PWD. They have a dedicated site to PWD that is positively branded and organized by functionality as opposed to condition, a subtle but powerful distinction. This is the only public instance of this approach amongst large firms in North America.

### *Consumer Staples – Empire Company Ltd.*

When performing the audit on Empire, we started with their website – on the homepage, we were struck by lead marketing of their closed-captioning service branded as a main-steam value add. What used to be a clunky ‘must-do’ was turned into a ‘look-at-what-we-have’. The language is Customer centric and speaks in a voice that will attract brand loyalty of Friends/Family of all PWD, not only the relatively small deaf/hard-of-hearing population. A great example of packaging a niche solution that tends to be compliance driven to attract all customers.

### *Energy – Imperial Oil Limited*

Imperial demonstrates clear strategic thought across the firm by highlighting action both with their Customers and in attracting talent. On the Customer side – need a little help pumping gas? No problem, honk your honk and they’ll be there. They have made explicit mention of hiring PWD, although their stated result is around 1% of their workforce. They are looking at the right levers within their business, and now must execute to maintain their leadership position.

### *Financials – Toronto-Dominion Bank*

Within the financial sector, the two aspects that are critical to value creation are attracting talent and delighting the retail customer. When one visits the TD global recruiting website, one is greeted by CEO Ed Clark welcoming you, complete with open captioning.. Touch a button, Ed gets windowed, replaced by an ASL translator. TD just signaled its intent to attract those who identify with disability. This is the best signal we have come across.

Here is the key for TD – they back their signal up with action. TD partners with the leading 3<sup>rd</sup> party recruiters in disability. They understand the subtleties of disclosure. They (along with the other banks) foster ERGs to serve as a beach-head and laboratory for innovation and connection to their employees. They also consistently place PWD and Boomers in their ads, and have been doing so for many years. As they, and the other banks, grapple with product development (such as incenting the sales force on the RDSP) TD is best positioned for growth in this market. Those firms lagging behind in disability should use TD as a case study to speed their way to a stable platform for growth in this market.

# Private Sector Response

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## Who is the Best? – Sector Leaders Showing Real Returns

### *Health Care – CML Healthcare Income Fund Trust*

The key to CML's leadership is how they speak to their Customers: chiefly as Customers, not merely as patients being carted from chart to chart. Most of CML's Customers are above 65 years old and therefore the majority (at least 52%) have a disability. Their branding appeals to those individuals who may need a little extra help, but fully intend to live their lives as vigorously as they always have. CML has their branding right to attract tomorrows aging Boomer.

### *Industrials – Vacant*

### *Information Technology – Vacant*

### *Materials – Vacant*

### *Telecommunications Services – Vacant*

### *Utilities - Vacant*



# What's Next?

## The Need For Practical Consumer Research and Business-Driven Process

Conversations around business/disability are easy at senior management levels. The macro data is both well tested and compelling for a strategic endeavor to be initiated. **CEOs and brand gurus have little resistance to a market this size that carries such a strong emotional bond to individual Customers.** The challenge comes when integrating disability into business strategies through manager's annual objectives. **As with most green-field efforts, the first step is to ascertain the right questions to ask.**

### *The Gap*

Companies, both large and small, work in a hierarchy. As much as middle to senior level managers want to achieve mandates passed to them by their supervisor, those mandates require the following items to be acted upon:

1. Data and analysis
2. Success milestones
3. Budgets

Today, none of these exist in any firm beyond macro data and Diversity budgets which tend to top out in the \$150,000 range for disability. As previously stated, 75% of the S&P 500 is not even at that level.

### *Data and Analysis*

The questions must be asked – what makes PWD and Friends/Family buy? What is unique about this segment that allows firms the reach them as both Customers and employees? Within this market, how does one account for differences and sub-segments? What traits, buttons and levers are common amongst them? What turns them on? What turns them off?

Nobody knows. The risk of diving head-long into this market is too high for a brand manager or a product developer until these common consumer research questions are answered. Rational managers act on observed facts. **Today, there are many hypothesis, hunches and intuitive theories of how PWD act and think, but there is no rigorous research to prove or disprove them.** The methodologies exist and are applied daily to segments outside disability. These methods must be pointed at disability.

### *Success Milestones*

Even in companies who are 'the best' in business/disability, firm-wide strategy around disability does not exist. It is typically an ad-hoc group of 'champions' driving an informal agenda, in one specific area.. Business/disability touches multiple areas, and those areas differ from firm to firm: Marketing, HR, R&D, technology, facilities and legal are just a high-level start. Each of these areas has specific levers and buttons to activate and associated goals to achieve. **Until these actions and objectives are mapped and measured, sustained economic value creation is simply unattainable.**

### *Budgets*

Disability does not have material budget allocations in most firms today. Even in the firms that do have allocations, these budgets do not come anywhere near representing the potential revenue opportunity that exists in business/disability. Logic says that a market with disposable income north of \$247B in the US would have at least an 8-figure budget associated with outreach but firms have yet to get there. **This is likely a result of the dearth of actionable consumer data and objectives to be funded.**

# Conclusions

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## Emerging Market Mentality

What if someone gave you the opportunity to invest in China in 1975? With hindsight, would you take it? Success in China over the last 40 years took research, asset allocation and execution, in addition to good timing. It certainly did not happen over-night. The same process is occurring today in disability.

In business/disability today, we conclude the following:

1. The market is big and is more complex than medical condition.
2. There are a few large firms(6%) acting today, leaving opportunity to fulfill unmet demand.
3. Consumer research is needed on what triggers buying behavior, to inform mid-level managers who execute firm strategy.

The benefit to those who are identifying the opportunity today is, there is a roadmap to follow. It looks like this:

1. Research – understand the landscape, the players and what causes their behavior.
2. Strategy – why is disability important to your organization? The value proposition is different for each entity.
3. Define success – set clear benchmarks, and measure progress against those benchmarks.

Firms need not re-invent the wheel. Simply apply proven practice to a new audience.

Making up 1.1 billion people globally, PWD represent a population the size of China. Unlocking the potential in this large subset of the global community has serious ramifications for GDP, public and private institutional cash flows and how economies grapple with an aging population.

The familiar emerging market investing question must be asked: when does this market tip? When does the global platform of disability mirror the scope and revenue generating power of Green?

Knowledge is the first step. Great business minds provoke what comes next.

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