

Where Have All The Subcontracts Gone?

Where have all the sheltered workshop subcontracts gone? They haven't all gone to China, but lots of them have left the country or don't exist anymore. These have been very tough times for the sheltered workshops: a big fall-off in available work, murderous price competition among the workshops and an academic outcry that sheltered workshops shouldn't exist at all. "The people should work at Mc Donalds."

All one has to do is spend some time in the workshops and the answer to the last point is obvious. Many employees lack the skills to work anywhere else. Do they like the work? You bet they do! They like the idea of earning their own money and they like the self-esteem that comes with successfully doing a job that has real commercial value. We have to find a way to make the sheltered workshop commercially successful.

So, what is a sheltered workshop to do to be successful in this environment? Get out of the subcontract business and get into free-standing businesses. What are free-standing businesses?

Free-standing businesses offer products or services to many regular commercial customers and compete with regular commercial companies offering the same products and services.

There are many examples of these businesses where sheltered workshops have been successful – medical laundries, document destruction, contract packaging, internet order fulfillment, recycling operations – just to name a few that have succeeded in Missouri.

How does a sheltered workshop compete in this regular commercial environment? By acting more like its commercial counterparts. Specialize! Don't be all things to all customers. Forget maximizing hand labor. Automate to the extent needed to compete. Invest in warehousing, information systems and production equipment. Set up sales and marketing and staff it for success. A few workshops are on this course and it is working for them. It will work for you. Subsequent ESC papers will spell these ideas out in detail.

The Role of the Executive Service Corps

The Executive Service Corps is a non-profit agency with highly skilled volunteer consultants, mainly retired, whose experience is in the corporate sector. ESC volunteers also have deep experience in sheltered workshops.

We can assist with strategic planning, system design and implementation.

Because we are volunteers and have a low cost structure, we can help you at costs well below the costs of comparable private management consulting firms.



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First Paper In A Series
on Sheltered Workshops

Where have all the contracts gone?
Long time passing.
Where have all the contracts gone?
Long time ago.
Gone to China every one.
When will we ever learn?

Adopted from Pete Seeger,

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