

Opportunity in Numbers – A Progressive Government Initiative in Hong Kong SAR Creates an Alliance of NGOs to Adapt to a Changing Economy

The Challenge

When economies undergo major shifts, businesses must adapt – or crumble. Not surprisingly, in the economic shift from heavy industry to service-oriented businesses, Hong Kong has been experiencing a high rate of unemployment. Clearly, today's employment frontier requires that people looking for jobs as well as those who help them must adapt to new demands.

But some organizations in the business of helping people with disabilities are slow in making the necessary changes. They may not be used to delivering customer-centred service, analysing the job market or competing in an open marketplace. Some need to find and teach service-oriented skills, and many lack the professional knowledge, marketing strategies or business skills required by the new economy. Consequently, people with disabilities often train in outmoded skills under old or noncompetitive standards. How can organizations unfamiliar with market-driven forces keep up or even move progressively with changing times? How can people who know about disabilities connect with people who know about employment?

Meeting the Challenge

The Marketing Consultancy Office (MCO) does much more than marketing. That is because its dynamic staff members redefined their roles. They work as partners with organizations serving people with disabilities needing employment opportunities and with businesses needing workers or services. One of the MCO's more progressive actions has been the creation of an alliance of 100 NGOs (sheltered workshops and supportive employment units). The MCO offers the alliance various types of training so that member NGOs can adapt to the new economy. At the same time, it is helping the NGOs understand that good business practice means effective programmes for workers with disabilities. Working with the alliance, the MCO identifies work and contract opportunities in the marketplace to help its members secure them for workers with disabilities. The MCO also pursues work-for-hire contracts and job vacancies and provides start-up funds for small enterprises. The MCO assumes a promotional function

as well, but, more importantly, uses the media, advertising and marketing options to highlight the products, services and the capabilities of people with disabilities.

The Good Practice: A unique government agency creates a strong network of employers, government resources and organizations for people with disabilities to actively promote training and job creation.

• Background •

Since the 1990s, the Government of Hong Kong SAR has been promoting the integration of people with disabilities into mainstream society. When a semi-private pilot project known as the Marketing Consultancy Office (for the rehabilitation of people with disabilities) concluded in December 2000, the Government decided to make the office a permanent agency within its Social Welfare Department. Originally, the MCO was operated by the Lottery Fund, a charity fund supported by a percentage of sporting events proceeds; its only responsibility was the expenditure of a large advertising budget to promote the capabilities of workers with disabilities. Eventually, the Government recognized that there is more to helping people with disabilities than advertising. It therefore retained the project's name when the contract expired and moved the MCO into the hands of the Social Welfare Department with the objective of "enhancing employment opportunities for people with disabilities through good marketing strategies".

In mid-2001, the Government hired a director and a staff of 14 people who brought diverse business experience, a large network of contacts and many dynamic ideas. With the staff's influence, the MCO quickly developed a broader vision by deciding that "enhancing opportunities" meant "developing businesses". The MCO staff set out to create businesses or, at least, to work in a variety of ways that would increase the employment opportunities for people with disabilities. The Government readily supported the MCO's expanded approach. Explains MCO Director Tiffana Chow of the initial plan, "We would have been marketing old ideas. If NGOs are to adapt to a new economy, we need new ideas."

• The MCO's Good Practices •

Creating the NGO Alliance. One of the MCO's first activities recognized that, if NGOs partnered with each other, they could increase their competitive advantage in obtaining work contracts and keep pace with the marketplace. The MCO pulled together into an alliance more than 100 NGOs, including sheltered workshops and supported employment units. The group represents a powerful human resource – more than 8,000 persons with disabilities related to autism, blindness, deafness, psychiatric disorders, Down's syndrome and physical paralysis.

Creating the alliance was not as difficult as it might seem, says Ms. Chow. “NGOs at first were very reserved but later found there is strength in union. They put their common interests before personal interest in order to achieve the greater good for people with disabilities. They now cooperate with each other on large work projects that a single NGO may not have been able to handle.” Contracts with hospitals or government agencies to wash cars, for example, can involve 400 to 500 automobiles, requiring more human capital than any one organization can supply.

To strengthen the competitive edge of each alliance member, the MCO initiated two primary service practices:

First, the MCO staff divided itself into three teams that each consist of a business manager, marketing officer and marketing assistant. The staff then divided alliance members among the three teams. Each MCO team is responsible for keeping its members aware of job opportunities, contracts available for bidding, market trends and training improvements.

Second, each team visited with its assigned NGOs to identify strengths and weaknesses in the areas of production processes and job placement. The teams recorded that information into a software programme for easy reference. Then the team discussed with each NGO the current market standards and job skills required by employers and business organizations. Based on the strengths-and-weakness assessment, the MCO now matches job orders and job vacancies with the appropriate NGOs. However, the MCO does not select specific NGOs for the requests; rather, it informs all eligible NGOs of the specific need and lets the spirit of competition take over. NGOs bid for contracts, or individuals are sent for job interviews.

Training services. Learning good business practices is critical for organizations embarking on the operation of small enterprises. The NGOs need to act like business owners and understand profit/loss responsibility, finance management and personnel requirements under the Government’s labour laws and regulations such as setting up provident (retirement) funds. With business training, organizations accustomed to subsidies or charitable contributions learn how to earn money and reinvest the profits in their programmes in order to help more people with disabilities.

To help NGOs improve their training components and even offer new skills, the MCO provides three types of services for alliance members:

Train-the-trainer courses. The MCO organizes training sessions targeted to NGO trainers so that NGOs can upgrade or recast their services in tune with marketplace standards. An NGO can request any type of training and the MCO will provide it. Instructors from alliance members or from the business community deliver the training.

Sharing good practices activities. The MCO creates training videos and develops workshops featuring alliance members with pioneering strengths in a particular area.

For example, the MCO recognized a huge business potential in car washing ventures because wages are more reasonable than what is offered by packing or assembly-line jobs. Three of the four NGOs with successful car washing operations jointly hosted a workshop on soliciting car wash contracts and managing the business. The MCO then produced a training tape of the workshop.

The NGOs that participate in the workshops are profiled and credited in the training tapes and promotional materials, thereby raising their status and public recognition. In addition, the MCO sends letters to alliance members recognizing the contribution of participating members in such activities. The recognition boosts the image of the groups involved and serves as an impetus to others to move forward. "Positive competition," as Ms. Chow describes it, "creates progress".

Famous Names Fuel Good Publicity

The MCO approached Italian Motors Ltd., the sole distributor of Ferrari and Maserati cars in Hong Kong SAR (and once the MCO director's employer), to discuss how alliance members could help with the company's car washing needs. The motor company and the MCO entered into an agreement to extend a contract to an NGO for two workers with intellectual impairments who would deliver a "car beauty service" at the showroom. Given the car company's high profile, the project easily caught the attention of media editors who churned out feature profiles that helped convey the message to the public and employers that people with disabilities can provide effective and reliable service at competitive fees.

In turn, the MCO successfully negotiated a service contract for washing 100 private cars belonging to officers at seven police stations. The project engaged 28 workers from seven NGOs. Even though the workers have no contract commitment, their work has been steady. Their success led to an agreement with the Transport Division of the Hong Kong Police Force to launch three pilot projects for one year; 32 employees working six days a week wash 106 police vehicles. Working with a supervisor, the car washers work in teams and provide their own cleaning supplies.



Training seminars. The MCO invites well-known business figures to share their expertise and experiences with NGOs. Topics cover issues and practices that NGOs or any group needs to know about in running a business. For instance, the director of an innovative UK-based NGO conducted a workshop entitled “The Way to Work – How to Work with Employers”, and “The Sustainability of Supported Employment Clients in the Open Labour Market”. The director of a publicly listed company in Hong Kong spoke on “The Customer-Centred Enterprise: How Hong Yip Service Co., Ltd. Achieves Extraordinary Results by Putting Customers First”.

Business development. The MCO defines business development quite broadly – from job placement to obtaining job orders for workshops to creating jobs for supported employment units. Through frequent visits and negotiations with both businesses and alliance members, the MCO keeps abreast of each customer’s many needs. Efforts centre on the following six activities:

- The MCO staff identify contracts and jobs offered through bidding in the open market and inform NGO alliance members accordingly. The staff also bank on old business connections and friendships to create new ventures. If an idea emerges at a social function or in a business meeting, the MCO staff jump on it. This is where knowing the strengths of member NGOs is most handy. In addition, staff members read the employment advertisements and make telephone calls to companies.
- In the case of service contracts, Ms. Chow advises targeting large businesses or public bodies to ensure better protection of employees in times of economic downturn. During those times, smaller firms have more difficulty paying their bills. And, adds Ms. Chow, “It is worthwhile to cultivate relationships with big private and public organizations because once you have obtained one type of job from them, such as printing, you can proceed to negotiate with them for catering service, cleaning service, car wash business and so forth.” Obtaining a contract for washing the private cars of police officers led to a much larger contract from the police authority to clean its official cars (see box).
- The MCO encourages agencies or corporations to rethink old practices. For example, the Social Welfare Department (SWD) operates youth centres, childcare centres, hostels and so forth that need to be cleaned. Previously, the SWD offered in the open market a single contract for cleaning 14 institutions. Only a large company would be able to bid for that work. The MCO convinced the SWD to break the one contract into 14 small contracts and offer them for bidding only to alliance members, thereby encouraging an NGO to bid to clean an institution nearest to its location.
- The MCO staff tailor marketing ideas to specific businesses. Given Hong Kong’s many residential buildings, property management companies need a variety of

services, including cleaning, gardening, security, printing, floral arranging and so forth. The MCO staff seek out executives in the appropriate companies and push the possibility of employing disabled workers for one or many of these services. Recently, one alliance member won an open-bidding contract (against two other alliance members and two private commercial companies) to provide multiple services to a 2,700-household estate.

- The MCO also serves its business clients' customers. For example, it recently convinced one property management company to offer residents of its apartments a home-service massage provided by people who are blind.

The MCO offers businesses several advantages. Given that companies usually require two to three price quotations on certain jobs, the MCO provides the quotations and saves a business the time of soliciting quotations from several NGOs. In addition, when complaints arise against certain NGOs, employers and businesses find it convenient to communicate with the MCO to resolve the problem.

- With HK\$50 million (US\$6.4 million) provided by the Government, the MCO began making start-up funds available for small businesses under the Enhancing Employment of People with Disabilities Through Small Enterprise project. The purpose of the project, which began operations in 2001, is to enable alliance members to create jobs for workers with disabilities by starting up businesses. A total of 33 NGOs applied for "seed" money to cover their first year of expenses of new businesses. A panel of experienced executives selected and then advised the approved ventures. By mid-2002, the MCO had granted about HK\$7 million (US\$897,000) to ten projects that included cultural kiosks in parks, a vegetable and fruit processing business, car cleaning, school lunch boxes and catering, a household goods retail store, a mobile cleaning crew and a mobile massage service by blind people. Recipients of the grants are required to include profit/loss accountability in their management.

The MCO does not solicit a charity attitude from its business clients in offering work contracts or hire workers with disabilities. Instead, it concentrates on instilling a sense of professionalism among NGOs and the workers they represent to ensure that they "produce quality products" and competitive customer service.

Creative use of the media and advertising. Instead of spending a large portion of its budget on advertising, which is expensive in Hong Kong, the MCO tries to maximize its resources, for example, by tapping connections with friends in the media to obtain free advertising space. But even without connections, many publications run public service advertisements for free when some space remains unsold. The MCO uses this little-known outlet to promote the services, products or events of the alliance and its members.

The best type of advertising is editorial stories on television and in newspapers and magazines that feature the work of people with disabilities. Reporters and editors are constantly looking for a new angle on an old issue. Feature stories in the media also attract new businesses. "We got orders from viewers after they saw a TV interview of a blind sewing machine operator," says Ms. Chow.

Marketing strategies to raise awareness. In addition to capitalizing on stories in the media, the MCO uses marketing events to raise awareness among employers and the public. Visible, reassuring activities demonstrate that workers with disabilities are as reliable as any employee. The MCO has organized catering promotions, handicraft sales in shopping malls and government office buildings and product/service presentations to associations and private and public organizations.

To create easy recognition for products made by people with disabilities, the MCO patented a "brand name". All handicrafts made by alliance members are labelled "SEPD", which stands for Support the Employment of People with Disabilities. The MCO operates a kiosk at the Hong Kong International Airport and at a shop in a government office building where SEPD items are sold. By taking advantage of a friendship, the MCO director has succeeded in also placing SEPD items in a prominent private shop popular for its high-grade products. The MCO promotes SEPD products to create public interest in the brand.

Accomplishments

From June 2001 to March 2003, the MCO helped its alliance members obtain:

- 629 job orders amounting to HK\$3.688 million (US\$473,000);
- 23 contracts worth more than HK\$5 million (US\$658,000);
- 45 full-time positions in open employment and 105 part-time positions that include data entry clerk, telephone operator, car cleaner, general building cleaner, masseur, store assistant, laundry worker, cashier and graphic designer;
- A two-year contract for operating the rehabilitation shop at Tseung Kwan O Hospital (serves patients recovering from accidents or diseases who need equipment such as wheelchairs, diabetes-checking devices, blood pressure monitors, walking aids and so forth);
- Ten business start-ups through the Enhancing Employment of People with Disabilities Through Small Enterprise Project;
- More than HK\$1 million (US\$149,000) in the sale of handicrafts made by people with disabilities for purchase at Hong Kong's airport and at other promotional venues (from July 2001 to March 2003);
- Ten television interviews featuring the Ferrari Car Wash project, the Police Car Cleaning service, handicrafts made by disabled people and sewing by blind people. The MCO has also helped generate 23 feature stories in newspapers and magazines;

- Exposure through 41 marketing events; and
- Increased marketing skills through 12 training courses.

Lessons Learned

A proven dynamic service, the MCO sees itself as a partner with disability service organizations and businesses. The MCO's experiences in remaking itself provide the following insights:

A good idea may be underdeveloped. The Government of Hong Kong SAR wisely recognized greater potential in the original Marketing Consultancy Office. By giving the MCO legitimacy as a government agency and supporting the ideas suggested by its newly hired director, the Government gave new life to a service that has increased opportunities for thousands of people with disabilities.

A dynamic leader makes a difference. The director of the recast MCO has work experience in marketing, product development, overseas joint venture operations, product licensing and distribution. Her familiarity with these operations is the source of many ideas – she knows what is possible, what are “short cuts”, what businesses want and what alliance members need to learn in becoming businesses or offering services.

One bad experience can turn an employer away; job coaching or follow-up support is often needed. The MCO has found that many businesses are receptive to hiring workers with disabilities. Many workers, however, have not been properly prepared for the employment environment, thus adversely affecting the opportunities for others with disabilities. When workers fail to show up for work or quit after a disagreement with a supervisor, the affected businesses become understandably reluctant to offer jobs to workers with disabilities. The MCO contends that follow-up support, back-up personnel and job coaches are critical elements when NGOs offer workers-for-hire or job placement services.

Bidding for contract jobs is good “on-the-job training”. For NGOs, experiencing the process of open-market bidding is more instructive than participating in a training course. “It’s better to hold their hand and go through this process,” says Ms. Chow. Making mistakes is no big deal, she adds, and says they learn first-hand what businesses expect from service providers and what it takes to be competitive.

Business deals with recognizable names provide marketing mileage and inspire worker morale. Linking the abilities of people with disabilities to famous brands and names, such as Ferrari, is likely to generate free publicity and media attention. When treated as a feature story by the media, the successful experiences of workers with disabilities employed by recognized companies can spawn wider public attention and acceptance of disabled workers. Furthermore, working with popular companies or products boosts the confidence level of workers.

Good publicity can motivate some business executives to use a service or buy products made by people with disabilities. When businesses see the favourable media attention that contract work with alliance members brings to the companies that hire people with disabilities, they have an incentive for following suit. But the initial interest must be met with high quality and professional service.

It is essential to treat all alliance members equally. When an NGO fails to win a contract bid in competition with other alliance members, suspicions might arise that the MCO did not provide it with the same information it provided to competitor NGOs. The MCO handles such situations by discussing with NGO managers the reality of market forces. Ms. Chow says, "We tell them that if they failed this time, perhaps they need to review their organization. Maybe other NGOs are hungrier to get business and are willing to lower their prices." It is a tough but necessary lesson in how to work in the business world.

Looking Forward

The MCO plans to organize an alliance of 20 NGO handicraft producers to adopt pricing and product strategies that will help them secure a unique position in the handicraft market. By organizing themselves and then purchasing raw materials in bulk, individual NGOs can produce items more cheaply, dispelling public concerns that handicraft products made by people with disabilities are expensive. A handicraft alliance also can pursue contracts for large job orders; by working together, groups can deliver products more quickly and avert complaints that products hit the market too late. To develop an understanding of the long-term marketability of handicrafts, the MCO intends to establish a product committee to monitor the life cycle of handicraft products. It also will create a system for pooling the capabilities of alliance members to work together to produce products suggested by the MCO.

Replication

Replicating the alliance model requires, first, a critical number of organizations along with an organizing entity, such as the MCO. A dynamic leader, fluent in marketing techniques and rich in business contacts, like Ms. Chow, is certainly a plus, as is the considerable financial investment the Government was willing to make. Even if some of these ingredients are not possible, aspects of the MCO alliance model can be adopted:

- Do not automatically assume that a huge budget or staff is required to hire an effective marketing representative. The appropriate representative must demonstrate professional marketing and business development experience, an understanding of economic and job opportunity trends and creative thinking. A marketing representative does more than just position products. He or she can

represent an organization and its trainees and not only develop new job ideas but also seek out contracts and positions in open employment.

- Learn, or hire someone who knows, how the media works and how to promote new angles that will make stories particularly attractive as features. That individual should not hesitate to approach a publication's advertising department, a billboard service, public transport agencies and so forth to request the use of public spaces not already purchased by customers.
- Recognize that an alliance of NGOs is not necessary for increasing employment opportunities for people with disabilities, though it seems to make sense in terms of maximizing human resources and sharing information. In any event, a marketing representative can work well for one organization or can work for several organizations.

For More Information

Tiffana Chow
Director
Marketing Consultancy Office (Rehabilitation)
Social Welfare Department
The Government of the Hong Kong Special Administrative Region
23/F., Southorn Centre, 130 Hennessy Road,
Wanchai, Hong Kong
Tel: 8522-835-2706
Fax: 8522-834-7046
E-mail: gmmcor@swd.gov.hk
Web site: www.mcor.org.hk