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SEEDING

Social Economy Enterprises addressing Digitalisation,
Industrial relations and the European Pillar of Social Rights



CASE STUDY IRELAND

Speedpak Group



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Speedpak Group



NAME OF THE PRACTICE	SPEEDPAK
Responsible actor	management (unilaterally)
Type of practice	business plan
Challenges addressed	automation of work
Employment impact	- job retention - job instability - skills and training - working time - employee monitoring
Geographical coverage	A number of socio-economically marginalised neighbourhoods, which are characterised by high levels of long-term unemployment and educational disadvantage, are located in the vicinity of Speedpak's premises. Speedpak trainees tend to live in these neighbourhoods. Speedpak Contract Services (www.speedpak.ie) gains contracts from companies primarily in Dublin, while Shamrock Rosettes has customers throughout the Republic of Ireland. In addition, it has secured contracts from companies in Europe, Japan and the USA.
Sectoral coverage	Speedpak Contract Services provides a contract packing and manufacturing support service that converts large volume to consumer packs to meet customer orders for various types of industries alongside an e-fulfilment service for online retailers. Shamrock Rosettes (www.shamrockrosettes.com) is a manufacturing business, which entails the design and manufacture a range of bespoke rosettes, sashes and badges mainly for equestrian shows, competitions and events.

Company coverage

Speedpak employs fourteen core staff¹. In 2019, Speedpak generated a gross income of €1,425 million and incurred expenditure totalling €1,409 million. The gross income is secured from three main sources. These are central government (approximately €775k), trading (approximately €593k) and philanthropy (approximately €57k). In 2019 Speedpak made a profit of €16k up from €2,958 in 2018.

Although a number of core staff have expertise in operating digital technology, the bulk of the trainees would have low levels of digital expertise which is a barrier to Speedpak embracing additional digital technology. Speedpak also employs those members of the unemployed workforce that are furthest from employment including people with disabilities, people with criminal convictions and former drug users.

In addition to employment, Speedpak provides industry-led training for the long-term unemployed. It receives funding from the State to provide accredited work-related training and work experience for approximately 60 trainees, at any one time. This training is delivered through labour market schemes - the Community Employment (CE) scheme² and TÚS³. These schemes provide an opportunity for unemployed people to achieve an educational qualification and so increases their chance of securing employment. Speedpak also supports people awaiting trial or sentencing for crimes or those who have left prison and have a criminal conviction. In some cases, the person will also have a history of drug or alcohol misuse. Engagement in the programme provides stability and support in readjusting to life after prison; it can contribute to preventing re-offending and from receiving a custodial sentence.

Speedpak does not cite difficulties with trade unions in relation to CE participants completing work for which the organisation generates commercial income. However the company is required to seek annual approval from unions as part of the conditions of operating its CE Scheme. Unions ask to meet CE trainees and invite them to become union members as part of their conditions to agreeing to the programme's continuation. Speedpak is happy to meet these requirements.

The board is comprised of six directors who have extensive experience in working in senior positions in public limited companies, a third level institution, community and voluntary sectors, semi-state bodies and a local development company. There is no worker representation on the board.

The board holds nine meetings per annum. It has two sub-committees which support its work: the governance sub-committee and the finance, audit risk and remuneration committee.

1. Speedpak hires temporary staff when it receives large orders.
2. The Community Employment (CE) programme is designed to help people who are long-term unemployed (or otherwise disadvantaged) to get back to work by offering part-time and temporary placements in jobs based within local communities. Participants can take up other part-time work during their placement. After the placement, participants are encouraged to look for permanent jobs elsewhere, based on the experience and new skills they have gained while on a Community Employment scheme. The Community Employment programme is administered by the Department of Employment Affairs and Social Protection (DEASP). The DEASP gives financial support in the form of allowances and funding to assist with the Community Employment programme, for example participant wages, supervisor grants, materials grants and specific skills training grants. Community Employment sponsors are the voluntary organisations or public bodies that manage CE schemes at a local level (www.citizeninformation.ie).
3. The Tús initiative is a community work placement scheme providing short-term working opportunities for unemployed people. The work opportunities are to benefit the community and are provided by community and voluntary organisations in both urban and rural areas.

Occupational coverage	The management team is comprised of a chief executive officer, a change and development manager and two operations managers. Overall there are six administrative and eight operations staff positions. A number of employees have acquired extensive digital expertise. This enables Speedpak to handle efficiently a company's product manufacturing, fulfilment and logistics requirements in its contract services business. A number of the operatives have become proficient in operating digital printing and ribbon cutting machines. This has enabled the Company to consolidate its position as the market leader in supplying equestrian rosettes, sashes and badges in Ireland.
Workforce addressed	Speedpak's social objective is to provide commercial work experience and industry-led training to people living on Dublin's Northside who are long-term unemployed and who may also have a history of casual, intermittent or no previous employment. It also targets specific groups including people with disabilities, people parenting alone, people with a criminal conviction and former drug users. The aim is to provide trainees with the skills and experience to be able to gain and sustain employment in the manufacturing sector or other sectors where their skills are transferable. At any one time, it provides training for approximately 60 trainees, who are on labour market programmes. These trainees tend to have low levels of formal education and limited digital expertise.

ACTORS INVOLVED IN THE ACTION

Company management	Yes
Worker members of the cooperative at large	Not applicable
Works councils	No
Trade unions	No
Employers' organisations	No
NGO	No
Public authority	No

DESCRIPTION

Rationale for the adoption of the practice	Digital technologies were adopted for a few reasons: to provide new training opportunities for trainees to acquire new skills; to improve product quality and customer service; attract new customers to grow sales and contribute to financial sustainability. The purchase of digital and automation technology for cutting fabrics has led to increased productivity in rosette, sash, and badge production. The procurement of Customer Relationship Management (CRM) software technology supports the Company to manage customer contacts, orders and stocks across both its businesses. The Company has built up experience on how to access different e-commerce platforms used by online retailers to secure additional contracts from companies to distribute their products. In fact, the low level of digital expertise of Speedpak training staff can limit the types of commercial contracts that Speedpak pursues. This has implications for growing the company's business. At the same time, if Speedpak automated more functions of its business, this would reduce its labour requirements, thereby limiting its capacity to provide training opportunities to trainees.
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	Due to securing public funding to employ staff, Speedpak is conscious of the risk of being challenged by investor-owned businesses with accusations of causing displacement.
Process of the adoption of the practice	The board decided to adopt the digital technologies.
Description of the practice	The following technologies have been adopted: digital ribbon cutting, biometric clock in, sales CRM, accountancy software, barcoding software, adobe-photoshop/illustrator / in design and different ecommerce platforms - integration for e-fulfilment. Digitalisation has enabled Speedpak to maintain its current level of employment by: • managing, customer engagement, orders, stock and logistics for both commercial businesses using bespoke CRM software, • navigating customers ecommerce platforms to provide them with a storage, pick, pack and distribution service for their online businesses, • gaining a reputation for providing an efficient and reliable product distribution service. This has led to Speedpak gaining contracts from domestically and internationally based companies, • producing bespoke equestrian rosettes, sashes and badges to meet customer requirements through the use of digital and automation technology for cutting fabric and printing. This has resulted in its product range achieving a dominant position in the Irish market and exporting to seven companies in mainland Europe. Digitalisation has also enabled the business to operate more efficiently in the following ways: first, it allows the monitoring of staff and trainees' working time; second, it reduces the amount of time staff have to devote to fulfilling a range of statutory compliance requirements. Third, it provides an efficient stock control system. Finally, the use of social media platforms has enabled Speedpak to promote its products and services.
Dismissed alternatives	No other alternative options were devised.
ASSESSMENT	
IMPACT OF THE PRACTICE ON:	
Job stability and secure employment	Digitalisation across all activities that support the Company's income streams has seen it increase its core staff from 1 to 14 since its foundation. During that period annual work experience and training opportunities have increased by approximately 400%. In addition, it has contributed to the continuation and further development of state funding opportunities in the form of labour market programmes and wage subsidy schemes.
Skills needs and training	There have been approximately 80 individuals participating on the trainee work experience programme annually. Each trainee completes a comprehensive training programme which strengthens their employability. Digitalisation is critical to Speedpak's work experience and training programme for long-term unemployed people – from time keeping and attendance, to capturing training, meeting funders requirements, managing reviews and providing real commercial work experience. Digitalisation related training is built into all labour market programme training (both Community Employment and TÚS).

Working conditions	The management team and permanent core staff work both full or part-time hours depending on their role. Trainees work almost 20 hours per week. They receive mandatory training in Health & Safety and Manual Handling. They also participate on the Company's work training and/or work placement programmes. Speedpak is an equal opportunities employer.
Company performance	The adoption of digital technology has been an important factor in Speedpak increasing income generated from commercial sources – this has increased from €350,000 in 2012 to €593,000 in 2019 (a 69% increase over this period. This enabled the company to: • grow and maintain the employment to its current level of 14 staff, • attract more philanthropic and corporate social investment as social impact increases, • diversify the commercial activities (e-fulfilment) to improve its commercial sustainability, • generate reserves, • provide matching funding to secure government grant funding for capital expenditure projects that improve both the commercial operation and work experience and training offering e.g. purchase forklifts and other plant and equipment.
Overall strengths and weaknesses	The strengths are: • the expertise of the board of directors, • the experience, commitment and expertise of the management and staff, • commitment to innovation in commercial businesses and training activities, • strong commercial track record and customer base, • own premises. The weaknesses are: • the reliance on state funding, • the commercial reliance on training staff affects productivity.
Overall opportunities and threats	The opportunities are related to: • the recent enactment of a National Social Enterprise Policy provides greater awareness and opportunities for social enterprises e.g. Government procurement and commissioning, • the relationships with state agencies could result in it securing additional state funding to deliver training programmes for unemployed individuals living in Dublin's Northside, • Speedpak has a strong reputation among policy makers. The threats are: • any disease or outbreak that affects events and the movement of animals or people e.g. BSE on Shamrock Rosette business, • a competitor could complain to funding bodies that Speedpak has an unfair advantage due to receiving public funding, • an economic downturn could lead to a cut in state funding and weaker commercial contracts.

Potential for social partners and collective bargaining to upscale/transfer the practice	Trade unions would engage with the Department of Employment Affairs and Social Protection ⁵ to demand that the Community Employment programme would be modified to have an element of digital upskilling inserted into its training component. This would require additional investment from the State in the form of training grants than is currently provided.
Potential for public authorities to support upscaling/ transferring the practice	Mainstream state enterprise programmes that provide supports to investor-owned businesses in relation to digitalisation, should be broadened to include social enterprises in line with recommendations made in the Governments new social enterprise policy. State funding should be allocated to social enterprises- funded under the Community Services Programme⁶ – to deliver training to strengthen the digital skills of the staff and trainees of social enterprises that are part of the Community Services Programme.
List of annexes, sources	• website of the company: www.speedpakgroup.com www.speedpak.ie www.shamrockrosettes.com • interviews with the CEO of Speedpak
Company website	www.speedpakgroup.com

The case study was prepared by: **Method Consultants (Ireland)**

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5. The Department of Employment Affairs and Social Protection has responsibility for administering the Community Employment programme.
 6. The Community Services Programme (CSP) supports social enterprises, including co-operatives, to deliver local social, economic and environmental services that tackle disadvantage by providing a co-funding contribution towards the cost of employing staff.