

Skills, Talent and People: Your Community's Key Economic Drivers

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INSIDE THIS WEEK: A 14-PAGE SPECIAL REPORT ON ENTREPRENEURSHIP

The
Economist

MARCH 14TH 2009 2099

Economist.com

Obama engages with the world

Tensions in the G20

Wasting money on climate change

Don't globalise financial regulation

Memories of the Warsaw ghetto

The jobs crisis

And what to do about it



The Great Skills Mismatch

Demand-side:

- Not Enough with 2-5 Years Specific Experience
 - Re-careering job seekers, new graduates, changes in technology
- Management, Scientific, Engineering & Technical Positions
 - *64% of companies Surveyed by McKinsey say they cannot find qualified applicants for management, scientific, engineering, technical positions.*
- Manufacturing
 - *National Manufacturing Institute Survey – 67% of employers report a moderate to severe shortage of available qualified workers, 56% expect this shortage to become more severe.*
- Nearly 2/3 of all job openings now and by 2018 require post-secondary education.

Supply-side:

- 80% of current and 2018 workforce is already in the workforce (they're adults, not youth)
- 1 in 4 adults lack the basic literacy/numeracy skills to qualify for most jobs.
- 42% of adults (in U.S.) aged 25-64 have no post-secondary credential

Workforce Quality: Driver or Limiter on Growth?

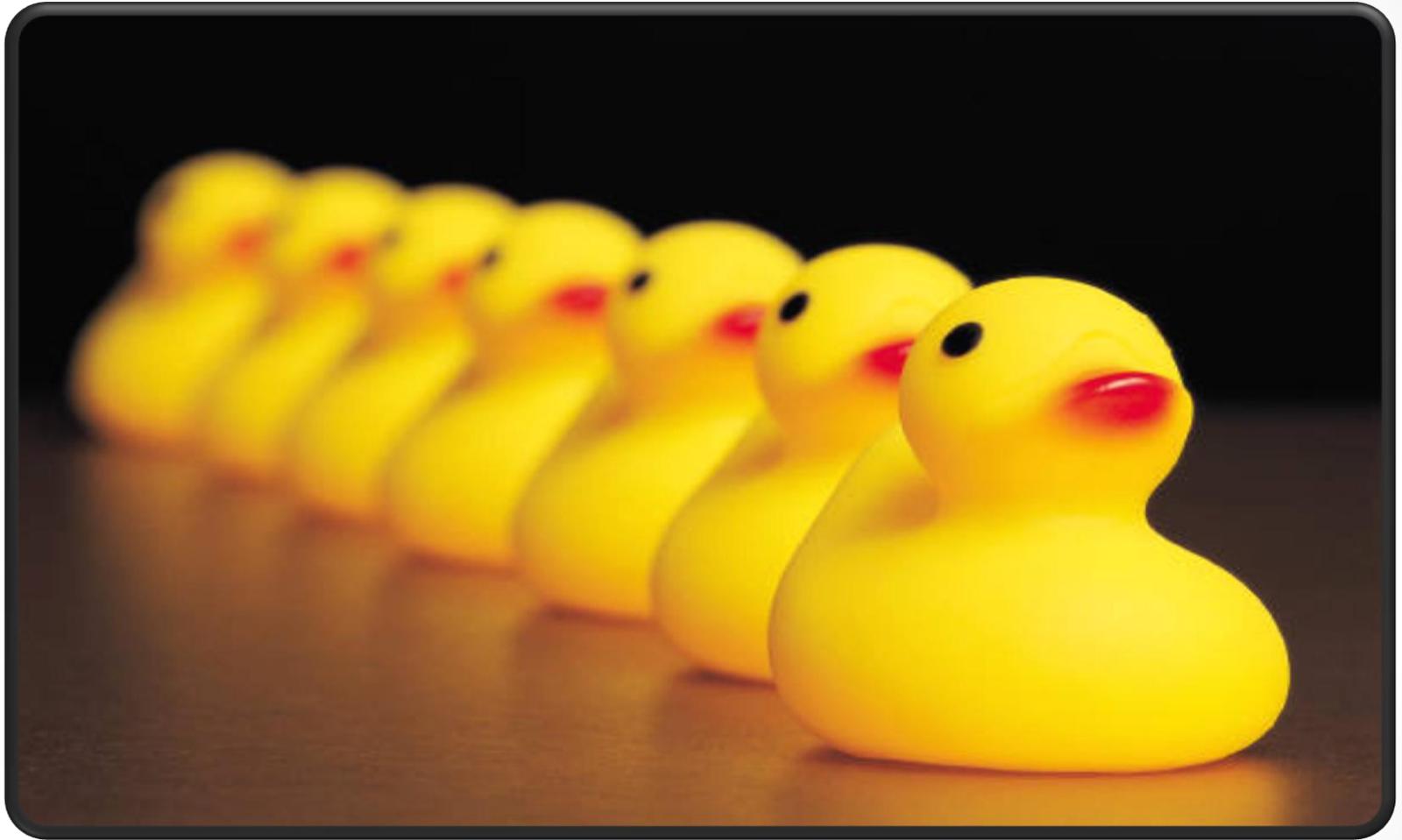


Developing a
Workforce –

Who owns this
anyways?







Examining Industry Partnerships



Introducing Industry Partnerships –
taking a closer look:

- True partnership of employers, economic developers, educators and trainers.
- Employers are the drivers
- Somebody is the convener
- Solutions are real-time, accurate, customized, agile
- Public programs are coordinated, not acting in isolation, not duplicating efforts



Survey Question 1

- To what extent is your usual work bound by geo-political boundaries? (city, county, state, economic development districts, community college districts, workforce areas)
 - a. Not at all
 - b. Somewhat
 - c. A lot

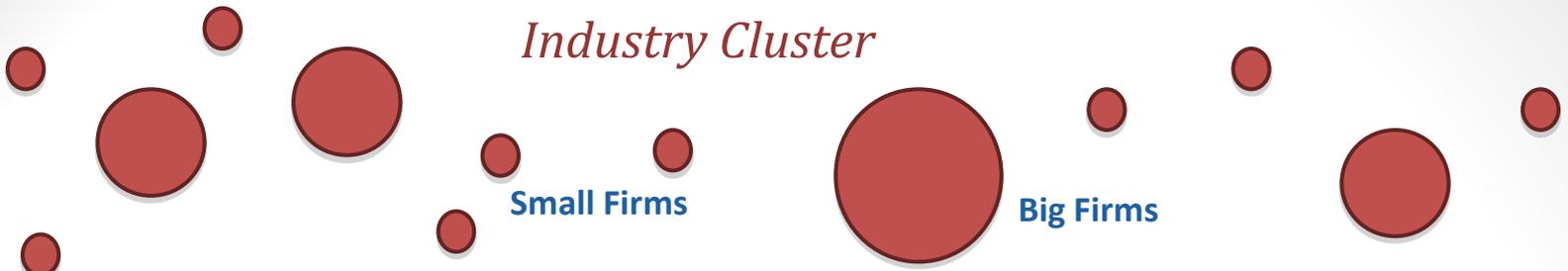


Why Industry Partnerships?

- Skills gaps across entry, mid, advanced positions
- Too few resources, too little time
- One employer at a time
- Dual customer system = disconnected services
- Geopolitical boundaries \neq real labor markets
- Industry changes quickly, public programs don't
- No one (Firms, Jobseekers, Public programs) can this work on their own



Industry Cluster



Small Firms

Big Firms

(Shared Labor, Infrastructure, Suppliers, Markets, Technology)

An Industry Partnership



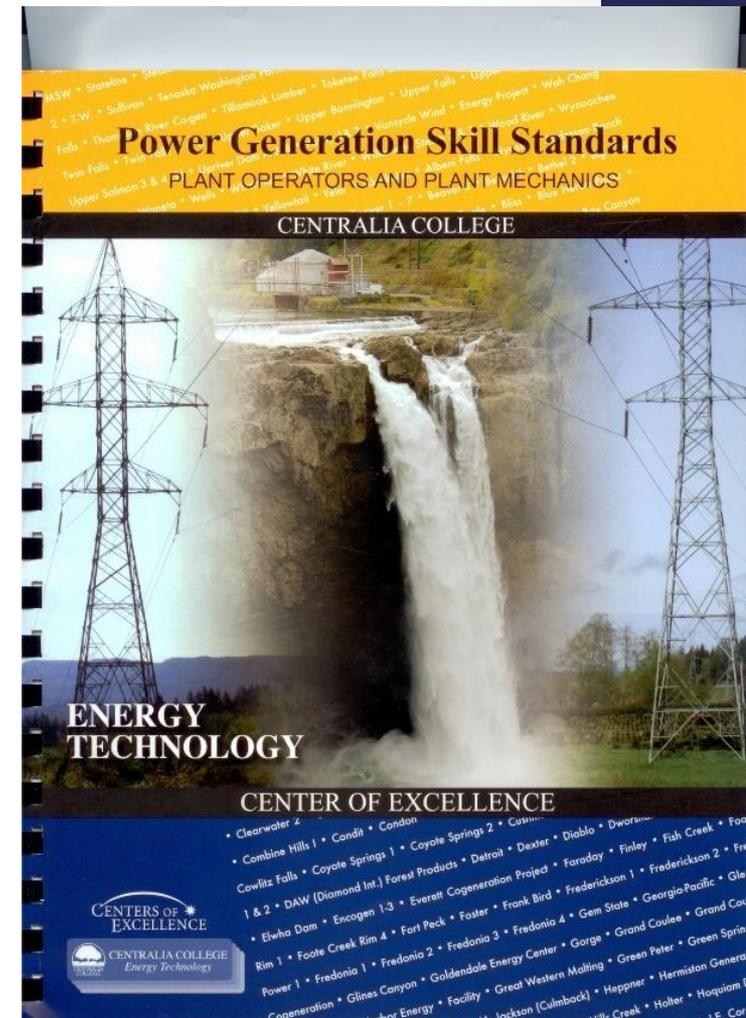
Survey Question 2

- How well do programs that you or your organization is involved with fit this description?
 - a. We' re not doing anything like this
 - b. We do some of this, but not all of it together
 - c. We have at least one example of a fully integrated partnership of education, training, economic development, organized labor and employers in a critical industry

Power Generation Skill Panel, Washington State

- Convened by the Centralia Community College
- Involves major power generation plants (coal, hydro, and wind), plus major public utilities around the state
- Key partners are Labor, community colleges, workforce Boards, and industry experts
- Products include articulated “skills standards” for key occupations, shared purchase of key curriculum, an accelerated apprenticeship program, and the creation of a hands-on training facility at an un-used nuclear power Plant (Satsop Nuclear Facilities)
- Successfully, quickly places journey level apprentices in good jobs, and provides clear career pathways into the Energy industry for entry-level workers.

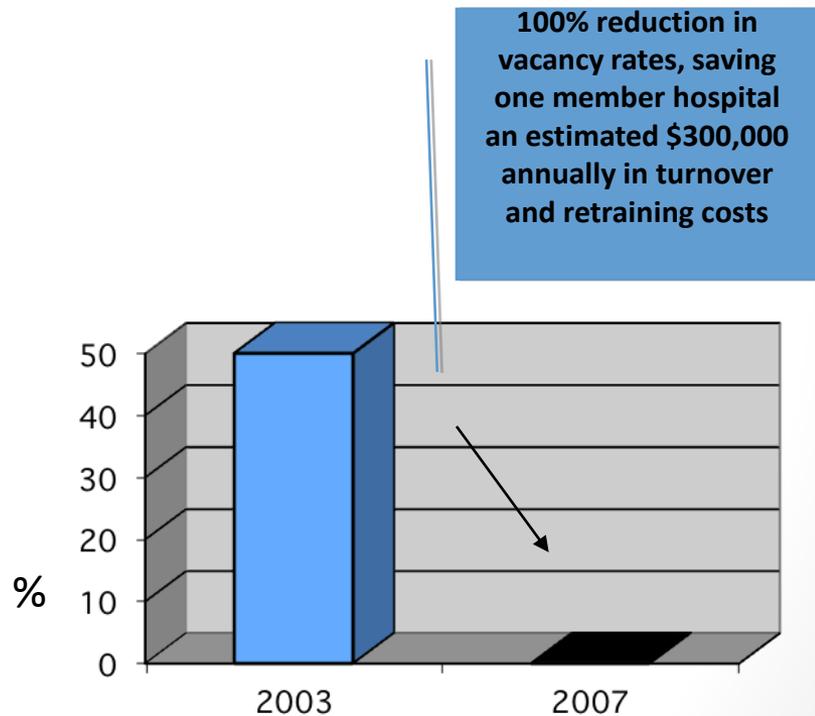
“The Power Generation Skill Panel has effectively met the needs of employers, workers, and the training system through collaboration and focused work on critical issues. By meeting the demand driven skills needs of industry we are all more competitive.” --Bob Guenther, IBEW Local 77



Tacoma/Pierce County Healthcare Career Services Council

- Convened by Pierce County Workforce Development Council
- Chaired by HR Director, MultiCare Health System; Co-chaired by Tacoma Community College
- Members: major healthcare systems; organized labor; colleges and universities
- Career days/camps/workshops for students, serving over 600 annually
- Focused on training existing workers in member hospitals and clinics – upskill/backfill strategy
- Developed first healthcare apprenticeship programs in WA
- Significant impact on turnover rates/costs (a profit killer for hospitals)

Reduced Vacancy Rate of Invasive Cardiovascular Technicians in Tacoma-Pierce County



The “Big Tent”



CC photo credit: Brian Finifter

Survey Question 3

- How big is your tent?
 - a. Pup tent
 - b. Big enough for a small family
 - c. I could add a couple of close friends
 - d. Welcome to the Big Top!



What are the products of a Sector Partnership?

Accurate Training Solutions

- Definition and resolution of key human capital issues facing the industry
- Short and long-term training programs
- Apprenticeship programs
- Incumbent Worker training
- Entry level skills development, Work readiness programs
- Career Pathway programs

Non-training Solutions Too

- Work reorganization; improving HR processes
- Removing institutional and regulatory obstacles
- Solving retention issues
- Aligning job descriptions with actual needed skills, competencies, knowledge
- Developing or aligning supports for jobseekers during training
- Raising awareness about jobs and career opportunities in the industry

Greater Spokane Manufacturing Roundtable

- Convened by Chamber of Commerce
- Career awareness campaigns
- Teach the Teachers
- Reached over 5,000 students/educators
- Skills gap analysis
- Members: small/mid-sized manufacturers, workforce development, community colleges

“The value of the [Manufacturing] Roundtable to me is that they don’t whine and they do stuff. The mission of the Roundtable is to help improve competitiveness of local business and increase the number and/or wages of employees. I see results from the Roundtable—we’re making progress.”

--John Crow, CEO, Lloyd Industries



Aerospace Joint Apprenticeship Committee (AJAC)

- 83,000 people in WA have good jobs in Aerospace Manufacturing
- Over next 10 years, WA needs 21,000 more skilled workers
- State-funded non-profit
- Members: industry, colleges, workforce centers, organized labor, economic development, high school districts
- Apprenticeship programs for 10 critical occupations
- Development of common standards and curriculum across five colleges



More than workforce solutions

- Fundamentally industry partnerships are about industry competitiveness
- In the best cases, partnerships address issues related to:
 - Shared Labor
 - Common suppliers and supply chain bottlenecks
 - Shared markets
 - Shared infrastructure
 - Shared technologies



Evidence?

Results for Employers

Evaluations from MA:

- Turnover: 41% reduction
- Rework: 19% reduction
- Customer complaints: 23% reduction
- Companies that said partnerships with other companies were valuable: 100%

Evaluations from PA:

- 84% of employers surveyed from Industry Partnerships reported significant increases in productivity

Results for Workers

Evaluations from MA:

- Earn more per hour
- Decreases in poverty (from 64% to 35%)
- Participants gained new jobs within targeted sectors
- 83% of participants agreed that the training prepared them well for work in the targeted sector
- 78% said the program had improved their chances of getting a good job

A Recent Random Assignment Study:

- Workers earned 18% more over a 24 month period;
- More likely to work, worked more consistently, worked in jobs with higher wages and with better benefits

GOT JOBS? Results from an Energy Efficiency Industry Partnership in Pennsylvania

- J&J Mechanical, a small commercial HVAC company, quadrupled their employee base as a result of expanded connections to residential retrofitting needs
= 4X JOBS
- Another member, Maccabee Industrial, a steel fabricator discovered an expanded market in windmill towers, based on new connections with wind power parts suppliers
= NEW PRODUCT LINE
- A manufacturer of vermiculite, a material used to insulate batteries, discovered through the Partnership that the material could be used in retrofitting insulation, as well as in green soil for potted plants and gardens
= 2 NEW PRODUCT LINES
- Tri-State Biofuels, a small woodstove pellet manufacturer, connected with Marsalis Shale oil and gas drilling companies via the Partnership, researched uses of wood pellets as absorber of drilling waste.
= NEW PRODUCT LINE
= TRIPLED PURCHASES FROM LOCAL SUPPLIERS OF SAWDUST
= 5 TO 30 JOBS
- World Kitchen, formerly Corningware, now makes pyrex glass for solar panels. Via Partnership networking, added an entirely new production line to meet regional demand
= NEW PRODUCT LINE
= 60 JOBS

* launched about 18 months ago.

So how do you get started?

1. **Assess where you are now:** What are you already doing that looks and feels like an industry partnership?
 2. **Look at your data:** What is it telling you?
 3. **Coordinate, don't compete:** What are your colleagues in the field doing already?
1. **Be the Convener:** Bring employers within one critical industry together with public partners



Any Questions?



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