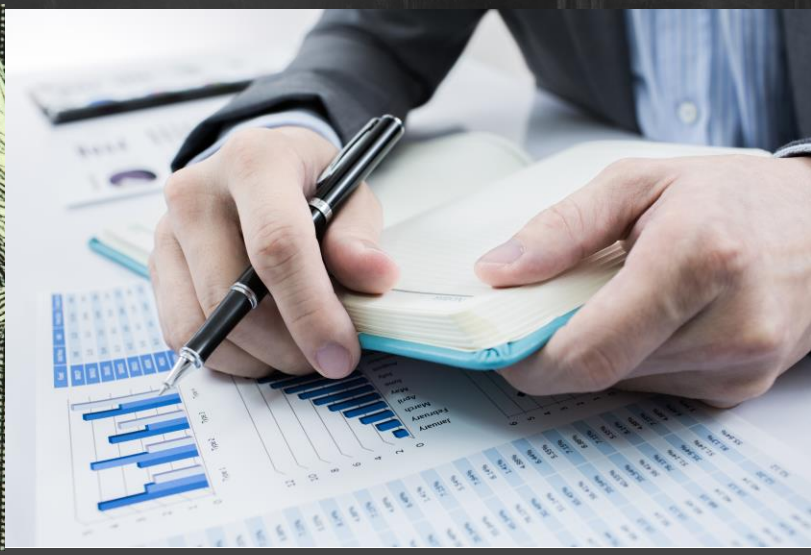
SECTOR STRATEGIES









ETA Sector Strategies Technical Assistance Initiative:

SUSTAINING REGIONAL SECTOR STRATEGIES

EMPLOYMENT AND TRAINING ADMINISTRATION
UNITED STATES DEPARTMENT OF LABOR

About This Brief

This resource is part of a series of integrated briefs to help workforce policymakers practitioners build a range of skills needed to launch and advance sector strategy approaches. The briefs are designed to be succinct and connect readers to existing resources, best practices, and tools. For more information, visit the U.S. Department of Labor Employment and Training Administration's Business Engagement page.

About Sector Strategies

Sector strategies are regional, industry-focused approaches to building skilled workforces and are among the most effective ways to align public and private resources to address the talent needs of employers. While the approach is not new, there is a growing body of evidence showing that sector strategies can simultaneously improve employment opportunities for job seekers and the competitiveness of industries. As such, a number of national initiatives and federal laws (including the Workforce Innovation and Opportunity Act) are driving workforce organizations, in particular, to embrace these approaches, to meet both the needs of workers and the needs of the economy.

At the heart of sector strategies are sector partnerships (sometimes referred to as industry partnerships, workforce collaboratives or regional skills alliances, among others). These partnerships are led by businesses—within a critical industry cluster—working collaboratively with workforce areas, education and training, economic development, labor, and community organizations. Sector partnerships are the vehicles through which industry members voice their critical human resource needs and where customized regional solutions for workers and businesses are formed.

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SUSTAINING REGIONAL SECTOR STRATEGIES

Sector strategies are regional, industry-focused approaches to building a skilled workforce and are among the most effective ways to align public and private resources to address the talent needs of employers and help low and middle-skill workers enhance their skills and advance in the labor market. Many regions and a majority of states are now investing in sector strategies as stand-alone initiatives or as components of other activities. Sustaining these strategies hinges on a number of factors, including securing funding to support them after their initial launch and a range of critical, non-financial elements.

This brief focuses on how two regions are sustaining their sector partnerships, along with key steps that other regional partnerships can take to help ensure sustainability. It includes brief descriptions of these two successful regional sector partnerships, administered by **Philadelphia Works** and **the Workforce Investment Board of Tulare County**, highlighting their key lessons learned for sustaining their sector strategies. It also includes suggestions to help other workforce agencies sustain their partnerships. A companion brief will focus on the critical elements of sustaining state sector strategies.

This brief will help local workforce development boards (WDBs) and their partners enhance their skills in these critical areas:

- Employer Engagement: Identifies promising practices and key steps for developing deep, lasting partnerships with employers that are based on addressing their workforce needs.
- Sector Partnership Sustainability: Identifies key steps and promising practices in critical elements of sustaining sector strategies, including both leveraging resources and other non-monetary factors.

SUMMARY OF SECTOR STRATEGIES AND SUSTAINABILITY

- Sustaining regional sector strategies hinges on securing ongoing resources to support this work and a host of equally important non-financial factors. Local workforce development boards (WDBs) and their partners can access a wide variety of resources to sustain their sector work. The following are major categories of funds that WDBs have used to support regional sector strategies:
  - Workforce Innovation and Opportunity Act (WIOA) funds
  - Federal discretionary grants
  - State general revenue
  - Employer contributions
  - Foundation funding

Securing ongoing resources is certainly one essential component of maintaining sector strategies. However, organizations that focus primarily on securing additional resources to sustain their sector work will face significant challenges to maintaining these activities. Successfully sustaining sector strategies also depends on a variety of other non-financial factors, such as cultivating strong industry champions, effectively documenting the outcomes and benefits of the strategy, and strong marketing and outreach. These non-monetary factors are critical for positioning local WDBs, state workforce agencies, and other entities leading sector strategies to secure the resources needed to sustain them. This brief highlights both the funding and the non-monetary factors that are essential for sustaining regional sector partnerships. Ultimately, sector strategies are not a separate program, but are an ongoing approach for engaging employers and other partners in identifying industry-driven workforce solutions through lasting partnerships. The factors outlined in this brief will help local WDBs and their partners identify the key steps and support the organizational culture changes that are essential for maintaining these collaborations.

Examples

The following are examples of key activities that often take place during the development and implementation of regional sector partnerships. These activities have costs that need to be supported by the participating organizations:

- **Planning.** Activities that take place when planning a regional sector partnership can include:
  - Developing a map of key assets that the region can access to support sector strategies
  - Outreach to businesses and other key partners and stakeholders (such as education and training providers, community-based organizations, and local elected officials)
  - Labor market information analysis to identify the target sector and better understand key trends
  - Identifying and securing an intermediary for the partnership
- **Implementation.** Activities that take place during the implementation of a regional sector partnership can include:
  - Conducting an initial sector partnership launch meeting
  - Staffing the partnership's work, including supporting each partnership meeting and conducting all follow-up work
  - Establishing roles and responsibilities of partnership members and decision-making processes
  - Planning and program development for training and other activities
  - Training and related activities
  - Evaluation and documentation of the partnership's activities
- **Financial sustainability.** Activities that take place to support the financial sustainability of a regional sector partnership can include:
  - Identifying financial assets that can support the partnership
  - Partnership maintenance
  - Proposal development

GUIDE FOR SUSTAINABILITY

Local WDBs and other regional organizations can take the following steps to support the long-term sustainability of regional sector partnerships:

Funding

- Mobilize new and existing public, private and philanthropic resources to sustain sector strategies, which includes the following key steps:
  - Determine the goals and objectives of the regional sector partnership
  - Assess the costs needed to support the partnership, from convening employers and staffing the partnership to training costs
  - Map resources at the regional, state, and national level that can support the sector partnership
  - Develop a strategy and leverage a diverse array of resources, which includes working with key partners to both access existing resources in the community and leverage existing relationships to pursue additional resources. *(See pages.6,7, and 8 in the case studies for detailed information on leveraging resources.)*

Non-Financial Factors

- ***Industry leadership***: Cultivate and support industry leadership of the partnership in addressing critical business needs. First and foremost, the partnership must be able to deliver value to businesses. This is more likely if industry leads and drives the partnership, targeting critical workforce needs. *(See pages 6, 7, and 9 in the case studies for detailed information on industry leadership).*
- ***Cultivate champions***: Identify and develop industry representatives who are respected by their peers, interested in addressing education and workforce challenges in the community, and willing to invest their time in the partnership. It is helpful to identify and secure strong champions prior to the launch of the partnership, if possible, as these individuals are critical to building and sustaining momentum. *(See pages 6, 7, and 8 in the case studies for detailed information on industry champions, and refer to another brief in this series on Industry Champions).*
- ***Dedicate skilled staff***: Assign staff with the core competencies needed to effectively staff regional sector partnerships. It is critical that these individuals have excellent interpersonal skills, the ability to confidently interact with industry executives, and strong listening and facilitation skills. Staff do not need to have deep background in the target industry when they are hired to support the partnership, although they must gain a strong understanding of the industry as they support the collaboration. *(See page 9 in the case studies for detailed information on skilled staff).*

- ***Manage performance with transparency***: Set concrete, realistic goals for the partnership that are valued by employers. Utilize strategies like employer surveys, as well as systems for effectively collecting, storing and sharing data on the partnership's performance on these goals, such as employment and training outcomes for workers. *(See pages 8 and 10 in the case studies for detailed information on managing performance).*
- ***Communicate successes***: Share successes broadly with key stakeholders (industry, civic, political and education leaders), including Return on Investment (ROI) for employers, and the number of participants that find employment with area employers and receive promotions. Survey partners to understand the value they find in the partnership, and identify activities that are feasible through the partnership but would be challenging for organizations to offer on their own. Ensure partners such as community colleges are recognized and use layman's language to discuss the partnership's accomplishments. *(See pages 8 and 9 in the case studies for detailed information on communicating success).*

Case Study: Philadelphia Works Southeast Regional Workforce Development Partnership

Philadelphia Works administers the Southeast Regional Workforce Development Partnership (SERWDP), a comprehensive regional sector partnership. Philadelphia Works was created when the Philadelphia Workforce Investment Board (WIB) and Philadelphia Workforce Development Corporation merged. The SERWDP, launched in 2007, is a multi-employer collaborative effort that was formed to bring together "management and labor around the common purpose of improving the competitiveness of a cluster of companies producing similar products and/or services and sharing similar supply chains, critical human resource needs, infrastructure requirements, business services and/or retention/recruitment challenges." (SERWDP Impact Report, 2013) The SERWDP initially focused on manufacturing and has since expanded to include logistics, transportation, food processing, and rotorcraft.

The SERWDP serves a broad region that includes Bucks, Delaware, and Montgomery counties. The SERWDP established a governance structure that ensures it is led by employers, with business representatives chairing its activities. Employers establish the goals that the SERWDP then pursues. The partnership has a number of committed industry champions, such as Computer Components, Hyundai Rotem, PTR Baylor and Compactor, the Philadelphia Shipyard, and the Southeastern Pennsylvania Transportation Authority (SEPTA). Individuals in a range of positions from these businesses are involved in the partnership, from human resources leaders to operations executives. Philadelphia Works is the intermediary for the SERWDP. The SERWDP has developed and helps employers access a range of services. For example, the partnership recently developed a new internship program; helps employers access WIOA-funded On-the-Job Training (OJT); and provides a wide range of incumbent worker training.

The SERWDP has been funded through a diverse range of sources. Initial planning for the SERWDP was funded through a grant from the Commonwealth of Pennsylvania, which was supported with state funds; this paid for some of the staffing needed to convene employers, as well as to conduct an initial labor market and job task analysis. Additional staffing costs during this initial planning period were supported by federal Workforce

Investment ACT (WIA) formula funds. Since implementation of the partnership commenced, the SERWDP has drawn on a wide range of resources:

- Federal WIOA formula funds have supported staffing costs such as convening employers and providing financial management to the partnership, along with funding direct on-the-job (OJT) training. For example, Barbara Stanford-Allen, Director, Industry Partnerships and Business Engagement, provides direct staffing support for the SERWDP and oversees Philadelphia Works' Business Engagement Unit, which provides employer services for all Philadelphia employers. Her position is supported by WIOA formula funds, and she spends 30 – 40% of her time supporting sector partnerships;
- The Commonwealth of Pennsylvania provides the SERWDP with resources funded through state general revenue to support direct training and other costs;
- Federal Social Innovation Funds received from the National Fund for Workforce Solutions have supported training, internships, and strategic planning;
- The Job Opportunity Investment Network (a funding collaborative) has supported a ROI study and a new incumbent worker training program;
- Citizens Bank funded an internship program; and
- Boeing funded additional training, including OJT.

Employers play a critical role in identifying the specific activities that will be sustained. The SERWDP established a sustainability committee, comprised of employers, and this committee determines which specific activities and services to continue funding. While Ms. Stanford-Allen staffs the committee, and provides them with suggested guidelines to use when making decisions, ultimately employers identify which activities should continue.

Philadelphia Works has taken a number of critical steps to sustain funding for the SERWDP. The SERWDP has successfully leveraged funding from a wide range of government and philanthropic sources since its inception, including the federal, state, and local government. Employers also play a pivotal role in sustaining funding for the partnership. This year, state funds, a traditional funding source for the SERWDP, only recently became available to support the partnership. Since employers increased their own contributions to support the SERWDP two years ago, providing a 100% match for the SERDWP's existing revenue rather than the 50% match they usually provide, SERWDP was able rely on these employer contributions for support until state funds became available.

A variety of factors have been critical to the SERWDP's success in maintaining its sector partnership:

- Philadelphia Works' staff effectively listen to the needs of the SERWDP's employer members, serving as a strong sounding board. For example, after staff mapped production career pathways, they met with employers to get their input. The employers identified a key entry-level occupation missing from the pathways analysis, and provided critical input on the skills needed for this position. Employers in the sector partnership have also provided Philadelphia Works staff with input on the local area's list of high priority occupations as well as input into the local WIA/WIOA plan.
- Philadelphia Works has developed and maintains strong relationships with key businesses, visiting each employer personally rather than simply talking with them over the phone or at the SERWDP's monthly meetings.

- SERWDP has strong industry champions for their sector work, and these employers have been highly-engaged advocates for the partnership. Philadelphia Works' Barbara Stanford-Allen notes they are its "best ambassadors." For example, employers recently met with state legislators to voice their support for sector partnerships, providing the partnerships with a strong, vocal advocate. Champions also play a critical role in recruiting additional employers to join the SERWDP. For instance, an employer partner accompanied Philadelphia Works staff to participate in a presentation on the sector partnership at a national U.S. Department of Labor forum in Spring 2015.

Philadelphia Works staff have identified three specific steps that other regions can take to help sustain funding for their sector partnerships. The first step is being able to clearly identify the goals and objectives of the partnership. A second step is awareness of other initiatives in the region, and then leveraging resources from these other initiatives while reciprocating, when possible. For example, the SERWDP has successfully partnered with Collegiate Consortium in its region for many years, leveraging the Consortium's training funds while providing the colleges with a key employer group with whom they could partner. Finally, partnerships can strive to receive strong financial contributions directly from employers, which ensures a sector partnership is not dependent on an individual grant.

One critical lesson learned by Philadelphia Works for sustaining their sector work is the importance of ensuring the partnership delivers results and captures its outcomes. Doing so helps demonstrate the value of the partnership to employers. For example, the SERWDP conducts a survey of employers at the end of grant periods to determine the number of workers who have experienced wage gains and promotions, and its ROI analysis identified the impact of the partnership. Five years after its inception, the SERWDP commissioned a report on the impact of the partnership to date. This report, which identified the contributions from various funding sources, employer involvement, and the positive impact on workers has been its best marketing tool.

Case Study: Workforce Investment Board of Tulare County

The WIB of Tulare County is currently leading one active sector partnership and is exploring several others. The WIB, which serves a large rural region in California, has been supporting sector partnerships since 2010. The WIB currently leads an active sector partnership focused on healthcare, which includes a range of providers in the community - from hospitals to community health clinics. It is currently working to re-launch a previous sector partnership focused on manufacturing, and is exploring opportunities to support workforce initiatives led by other organizations in the area. The WIB is the intermediary for the partnership, providing it with critical staffing support. The healthcare sector partnership has had a number of critical achievements, from creating a comprehensive industry profile to hosting an industry summit.

The healthcare partnership had an initial, single industry champion - a Chief Executive Officer who played a key role in convening her peers. The partnership currently has no single industry champion, but instead has multiple employers who are particularly committed to the partnership and together serve in this role. This includes the Chief Executive Officer of a federally-funded healthcare clinic, the Vice President of Human Resources for a district hospital, and the Chief Nursing Officer from another area hospital. Champions play a key role in sustaining the sector partnership. The long-term sustainability of the partnership depends on strong, ongoing industry

involvement, and the champions provide that strong "industry voice." Employer champions also help the WIB's efforts to seek additional resources, as it can reference these key individuals in proposals, and champions can advocate for the partnership and the workforce system with both the state legislature and Congress.

The healthcare sector partnership accesses a variety of funding sources to support its work. For example, U.S. Department of Labor (DOL) Rapid Response resources partially fund the position of the WIB's Business Services Program Manager that staffs the partnership, as well as other staff time. WIOA formula funds support direct training costs. The state-funded California Career Pathways Trust supports staff time, such as the staff that convene the partnership and LMI staff, and program development costs. Employment Training Panel (ETP) resources, which are also state funds, support the direct costs of training. The WIB has also successfully accessed smaller contributions from partners which have been essential to the success of critical partnership activities. For example, a local community college let the partnership use its facility for the industry summit, while schools paid the registration fees of staff to participate in this event. The WIB seeks opportunities to use a wide array of its funding sources to support its ongoing sector work. As the WIB's Executive Director notes, "it's the work we do."

A number of key factors have been important for sustaining the Tulare County healthcare sector partnership:

- The partnership had several tangible early accomplishments that engaged the group and demonstrated the potential of the partnership. These included creating an industry profile, through which employers were provided with labor market information regarding their industry and asked for their feedback and assistance in filling in gaps, such as identifying positions that are hard to fill. Another accomplishment was convening the Growing Healthcare Leaders conference, which included representatives from both the workforce system and K-12.
- Employers see value in the partnership. One critical aspect of the partnership is that it provides a neutral forum for employers to convene and address their shared challenges, collaboration which would be challenging if one of the employers sought to bring their peers together on their own.
- The partnership has a staff person dedicated to its support. The WIB's Business Services Program Manager takes responsibility for convening the partners and working with them to move the partnerships' work forward. It is critical to staff partnerships with individuals who are effective listeners and strong facilitators, and are willing to ask questions when they are not familiar with specific industry topics.
- The employers in the partnership decide what activities to both sustain and focus on. The partnership uses a consensus-based process, facilitated by WIB staff, to determine the specific activities the partners want to maintain. The partnership recently set its priorities for the year, which will include working with local high schools on career pathways and supporting up-skilling for entry-level positions like Certified Nursing Assistants.

Marketing the success of the sector partnership also helps support its sustainability. Extending the voice of industry is particularly helpful for sustainability. Employers valued the industry profile that was completed by the WIB, and the WIB has also highlighted the work of the sector partnership in its annual report.

One aspect of this partnership that is hard to sustain is compiling more extensive data on the industry; it has been challenging to create energy among employer partners for in-depth data development. Securing resources to

support sector partnerships can be a challenge. However, one helpful, ancillary benefit of convening sector partnerships is that the community then has a key employer group ready to utilize new funds when they do become available. For example, when the WIB had the opportunity recently to access DOL funds for training community health workers, the healthcare sector partnership quickly convened to develop a plan for using these resources.

The WIB identified four key steps that other WDBs and their partners can take to sustain their sector partnerships:

- Focus on developing effective sector partnerships that effectively meet the needs of industry and engage partners, rather than simply raising funds. Simply securing additional resources will not result in a sustained partnership.
- Develop partnerships with other organizations to implement this work. This includes pursuing joint ownership of sector partnerships with community colleges.
- Establish a loose organizing structure for the sector partnership, rather than insisting on a set, prescribed structure. For example, if employers in related industries share common workforce challenges with the those in the target industry, they can be included in the partnership as well. This will make it easier to engage industry and sustain their interest.
- Be realistic in setting goals and activities, and establish expectations that are the appropriate scale.

About The Author

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Jobs for the Future (JFF) designs and drives the adoption of innovative, scalable approaches and models—solutions that catalyze change in our education and workforce delivery systems.



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