**WorkforceGPS**

**Transcript of Webinar**

**Sector Strategies Virtual Business Engagement Academy**

**Closing Session: The Future of Business Engagement and Sectors**

**Wednesday, September 28, 2016**

*Transcript by*

*Noble Transcription Services*

*Murrieta, CA*

GARY GONZALEZ: (In progress) – PowerPoint and I'm going to be turning things over to Diane Walton from Region Six in San Francisco here at the Department of Labor. Diane, take it away.

DIANE WALTON: Thanks, Gary. Welcome, everybody, to the closing session of this remarkable week that we've had, Virtual Business Engagement Academy. A bunch of people came to learn, a bunch of people came to teach, and a whole lot of listening went on. And so it's such a thrill. I just want to be sure to take the time right now to thank everybody who was part of the presentation, whether on the presentation side or on the learning side, we all learned a lot and just big gratitude for everything that happened throughout the week.

There's some data up on the screen for you to just revel. We've been going at this. The Department of Labor came a little late to the sector strategy table, but we came with force. And so a little over two years ago, we started in this and trying to figure out really how to bring the workforce system, the players altogether at this table.

Coincidentally, shortly after that, we got a new piece of legislation that said we had to do it anyway. So not just a good idea, but also the law. We used that as a trigger for a while.

But anyway, the important thing I think this week has been the notion of connections. People have said it from the healthcare sector to the workforce intermediary to the "I'm in my community and how do I get to be part of this" of how we learn to trust one another and move through some pretty interesting decision making processes together. And I think we've all gotten a little bit better through the week. We really wanted to figure out how to facilitate those discussions.

We had at the first meeting some healthcare employers who we – sort of a mock industry panel. So many of the people who have come have not ever done that before. So I think 25 percent of the attendees had never put together an industry sector focused session. And so glad to have that representation in front of them for really how do you start. How do you have those open-ended questions? And then really how do you end and keep the work going? So that's been really pretty fun for us.

The connecting state and local and regional pieces together has been a point of interest for a lot of the attendees and watching people figure out how to work together in different ways around the different sectors. That was another huge piece of learning that people weren't sure of. They thought maybe there was a cookie-cutter kind of thing going on. And if they learned how to do sector work, they could just do it everywhere.

And to have the employer's come and say actually here's what would work with the IT industry, here's what works with the healthcare industry in certain places. So we came to – we broke it down so it's not quite such a monolith in people's mind. And I think that you can take different steps to get to the solutions, but it's going to depend on the region in which you live. It's very play-based work.

So we'll put a poll up hoping that you can tell us – we really want to know more than this and we'll come back to you on it. But if you've participated before, if you've gotten some information, if you've gotten lots of information, you can see those options up there. And as people start to vote, we'll revel in it.

It looks as if we actually met our intention so that people got helpful information and found multiple sessions useful and brought that new understand of employer engagement strategies. That's the one that continues to plaque many people across the country and that's another one that we're going to have a chance to go back in on today in a couple of different ways knowing that that's the kernel of the matter. So we'll take the poll down and I'll talk a little bit just briefly about what the day's going to look like and then I'll turn it over for you to drink in some more of this information that's been so useful.

But Bryon Zuidema, who – it says up here deputy assistant secretary; I would say to you that it is true, but it is really one of the least of his attributes – he is a listener and a learner. He's a pragmatic guy in the midst of a political setting. He's a wonder to watch. So get to know him and also appreciate the very different roles from the local and the state and the federal perspective that he brings to this. He'll be engaged in a conversation with Eric Spiegel from Siemens. Siemens being a company that has learned a lot about working with the workforce system and I hope we'll all learn a lot from that particular piece.

And then we'll go on and we'll go out into these local and state partnerships with the certified smart people from the national associations. And we'll poke and prod on them a little bit about really what needs to happen next.

So without further ado, I'm going to hand this over to the lovely Byron Zuidema.

BYRON ZUIDEMA: Well, thank you, Diane, and greetings to everyone. Welcome to today's session. It's a pleasure to join you in progress as I know you've – many of you have been busy throughout the week. And we're really encouraged by both your interest and your work in sector strategies. And I know from talking to people that – a number of you who've been engaged over the last couple of days are people who have practice in this, have experience in working in this area.

We also know that many of you are starting to wade into this for the first time and we welcome all of you and we are all very interested in engaging in this together.

It's true that just over two years, as we all well know, WIOA passed and we've been really busy. We have got final rules out, we've put other guidance out, we've done technical assistance; all of this available for the Innovation and Opportunity Network. Hopefully all of you are aware of it and check it routinely as your guide and your reference point.

But today and over the last few days, we've been actually talking about beyond guidance, beyond the nuance of the regulatory details about key strategies that actually make a public workforce system work. And that's what we want to continue to dialogue about today. It's true that there's been experiments and there's been success across the country and states and local areas on designing regional strategies, on creating career pathways, on engaging with economic development and ways that are beneficial to synch up the economic investments with the workforce development efforts.

Now, in WIOA, as Diane has already said, this the law of the land, if you will; how we will work. And so what you're going to notice is that we are going to continue this dialogue. It's going to mold into the comprehensive discussion about how we use the Workforce Innovation and Opportunity Act to propel the public workforce system forward into making sure that it's focused on understanding and being able to meet the needs of businesses and business leaders across this country. And in so doing, do a better job still meeting the needs and objectives of individual workers who are looking for the next good job and the next better job.

So that's the path we're on and it's been a pleasure to be part of that learning pathway with all of you. And in many ways, the statute is catching up with where some of you have been for some time. But really, to encourage those of you who are looking at this in somewhat new ways, fresh eyes. We clearly, as the secretary has said, we have been to, an extent, a system, at least in some cases, that has done in a sort of trained and pray approach.

And the thing about sector strategies, career pathways, and these kind of partnerships is that we would move well beyond that into a conscious specific effort to make sure that what we are doing and what we are trying to invest in in preparing workers is specifically what businesses actually looking for.

And today, to help us with that conversation, it's really a pleasure to have Eric Spiegel of – CEO of Siemens Corp. And Eric, welcome. And I know that you are familiar with the Department of Labor and the Employment and Training Administration because you've been doing significant work, you personally and your company, in engaging with us on apprenticeship. And I'm sure we'll talk about that.

But to start off, I wondered if you could just take a step back, give us the 50,000 foot view of what does it look to be the CEO of a company like Siemens through the lens of the kind of talent you're looking for and the kind of pipeline that you think needs to be in place in order for companies for you specifically and companies like you to succeed.

ERIC SPIEGEL: Well, thanks, Byron. Very happy to be involved in the discussion today.

If you take a look at Siemens in the U.S., pretty large company, we have about 50,000 employees, we have over 40 different businesses and we have over 80 manufacturing facilities. In any given year with the transition of some people and hiring people, we bring on something between five and 6,000 new people every year. So that's a big challenge in itself, finding that much new talent.

And it ranges from finding production workers in a manufacturing setting to technical staff working on the field. We have large service business servicing our equipment in power plants and hospitals and buildings around the country. So finding those kind of people is quite a challenge.

About two-thirds of those people that we hire are STEM-related, science, technology, engineering, and math. And the requirements for the people we hire are changing quite dramatically. So a couple of things that are going on. One is if you just take a look in general with the demographics, we have an aging workforce. A lot of boomers are retiring. So we've got to bring in a lot new people and train a lot of new people, and two things with that. One is that's creating quite a bit of gap in the middle skills area, areas like production workers in our manufacturing plants and these field technicians and things. Things where we've trained a lot of people over the years, but not as many young people trained in a lot of these middle skills.

And so we've started to put together programs around that, which we can talk about more later. But those middle skills, I think, are one big gap.

The second new and emerging gap is in our company, we're moving quite rapidly towards digitalization in all of our businesses. That is basically putting sensors on all of our technologies, taking a look at the data coming off those sensors, using that to better analyze our customer's business and how it's operating, allowing us to serve – (inaudible) – better but also help them understand how to utilize the equipment.

That's also leading to new business models. People are looking more at outputs as opposed to inputs in terms of their business. So keep the plant running is now more important than just putting equipment in and charging us for the equipment. How can you help us get the ultimate result, which is more time?

So as a result, we need people who have more skills in things like data science, data analytics, math skills, those kinds of things. We need the usual amount of engineers and things. But interestingly, there are – I like to say there are no jobs in Siemens for someone with just a high school degree, but you don't need – for many of the jobs, you don't need to have a four year college degree or an advanced degree. There are quite a few jobs for people with some level of post-secondary education. And that's really one of the areas we've been focusing on a lot is working on these two year programs.

So big changes coming. We think it's going to change even faster as the world becomes more software led and more digital and that's going to up skill just about every job we have in the company, whether it's out in the field or in a plant or even in the traditional white collar jobs.

MR. ZUIDEMA: Okay. Thank you. That's an awesome responsibility and an awesome opportunity. The kind of – the volume you've talked about, the types of people you're looking for, clearly the kinds of jobs that really, when we talk to workers, they say they're looking for; those kinds of workers where – those kind of jobs where they can have a wage and an opportunity to move forward.

So let's talk about – as big as you are, clearly you're part of an industry. And part of the discussion over the last few days and as we think about the idea of looking at regional economies and developing sector strategies is that while we can and will continue to work with – direct with employers like Siemens, we also figure out how do collections of businesses who are in sectors, do common kind of businesses and have common kind of talent needs.

How do we work with them, which implies that there's a sense in which even though in some cases they might be competitors, other cases maybe they're part of the supply chain, but how does that look from a business leader's perspective, this idea of can there be and how can there be a partnership with you and others who are looking for this kind of talent? So that, if you will, we can look at developing on a more wholesale level not just sort of a transaction with a particular employer.

MR. SPIEGEL: Yeah. That's a really good question, Byron. I think this is critically important. Let me give you a real world example. About five years ago, we were building a new plant down in Charlotte, North Carolina; a large plant that was going to require about 1,000 new workers; engineers, production workers, technical people of all kinds. We got over 10,000 applications for that plant. And after we did some preliminary testing and things, we were down to something around 1,500 people that were qualified to even work in the plant. But the vast majority of those people weren't trained to be able to work in that plant.

So we had to train about 1,500 people. Put together a training program for about 1,500 people. And then we realized that on an ongoing basis, we were going to need people on a more regular basis. So we went to the local community college, Central Piedmont Community College and we developed a program around megatronics. And we actually flew the professors over to Germany, to Berlin to get training. We helped them write the curriculum for the program, etc.

Now, as we did that, other companies in the marketplace realized that they had a need for megatronics as well. So we didn't start by going out to a bunch other companies because we had a huge need and, of course, we're one of the largest employers in that – in the Charlotte market down there. We had a big need. We knew we had to do something pretty quickly.

We worked with the local office of the Department of Labor. We worked with – closely with the city. We worked closely with the community college to put this program together. And then once we got the apprentice program up and running around megatronics, other companies joined and the program was called Apprenticeship 2000. And I think there's about eight companies that are part of that now who have a need for megatronics.

So basically, megatronics is basically about – it's about a three and a half-year program. They go to school half-time, they work half-time. They get paid while they work. The great thing is they develop a real skill. They get a certificate from the state of North Carolina, in this case, and also from the Department of Labor for their apprenticeship. And they take on no debt. If they complete all the courses and everything, they're guaranteed a job.

So you have a job, you have a skill, you have no debt. And this became very attractive to other companies.

Now, what would've been nice is if – to your point about what you've been talking about this week with a lot of the people who were attending, it would've nice if a lot of that work could've been done to help us do that because obviously we're running a big business. We don't have time to go around to dozens of companies to find out if they have a similar need. It just turns out this thing got a lot of publicity, a lot of people found out about it, a lot of other companies wanted to participate.

And as I said, there's about eight companies in that now. So that gives it some scale that's reduced the cost of delivering the program and I think it's been a big success. It's gotten a lot of press nationally and even internationally. And we even have some people coming over – now, we have some veterans who are going through the program now. We have some people from other countries who are going through the program now. So I think that's been very useful.

But I think the biggest thing, in Germany, these kind of apprentice programs in every market like this, you'd have dozens and dozens of companies participating in each of the different types of apprentice programs. So you get scale and there's lots of different opportunities for the people going through the programs. This would really help not only reduce the cost, but increase the value of having these degrees if we got more and more companies involved.

So I think that's an important role for the Department of Labor, but also people who are working workforce initiatives in these cities. And also, community colleges, technical schools, and even universities to be able to work together to help make that happen.

MR. ZUIDEMA: Wow, Eric. That is the best call to action I can think of for people sitting in on this line today who are part of community colleges, part of the public workforce system, wherever you are, other agencies that work on this either state and or local. You have just described and made the case for the fact that there's a business need, there's a business interest, there's a lot of things you can do for yourself. But it would be – you've just started, I think, to define what's the useful role for the public system.

If there are – you led right into the next thing I wanted to talk about. And if you have just a few more – I think that, frankly, we would all benefit from blunt honesties that you hear. What were a few missteps that maybe – we're not talking about naming names, but what are a few things that could've been improved on? What did the collective we in this public system do that wasn't that helpful? What did we do that was helpful? What more could we do? If you have a few specifics about that, I think it's helpful.

MR. SPIEGEL: Well, I think maybe a couple of things. One is one of the most important things when you're making a big investment like that plant, which is hundreds of millions of dollars, is you look a lot at the workforce and the skill level of the workforce. And in that case, we had assumed because there were other manufacturing in the area that we would have no trouble finding the kind of skilled labor.

So the first case, I don't think the state and the region had very good data because there – the understanding we had at the beginning was it would be relatively easy. And it turns out to find the kind of skills we needed – and this is a pretty advanced plant we really struggled in. Of course, that area had quite a bit of manufacturing over the years.

But also the market was tightening up. So we didn't have good information about how much availability of this kind of labor there

I think the other issue is – like I said, we had 10,000 people applying and we spent a lot of time trying to sort through that. I know we had a lot of workforce groups in the area bringing us people. But I have to tell you, initially that wasn't very helpful because the vast majority of these people had nowhere near the skill level. So we had a disconnect. We had probably – this is as much our fault as the people in the marketplace around finding the kind of skills. We probably should've been a lot more explicit about exactly what kind of skills we needed for a major facility like that.

But it also would've been good once people got that understanding if – would've had the opportunity to get more of the right people in there, or identify pretty quickly this kind of training need or other companies that had similar kind of needs. So I think there was I think just a general lack of information, and we hadn't really done an apprentice program in the U.S. before. In Germany at Siemens, we have about – at any one time, we have about 10,000 apprentices. And so we're doing this around all of our facilities in Germany.

So I think the expectation was that we would have – we'd have no trouble finding the people or training the people or finding people for the training program. But even setting up the apprentice program – I mean, Central Piedmont Community College was great. They were a great partner.

But as I said, we had to help them write the curriculum, we had to send the professors over to get them trained to get it started. For a smaller company who didn't have the kind of resources and experience we have, I can imagine that they would struggle to do something like this, right? I mean, they would struggle – first of all, they may not make the investment in that market if they couldn't find the kind of resources they had – they really needed.

But secondly, even if they did, finding someone who they can talk to, who can help them understand where they can find the kind of skills they need and/or what kind of training programs and who can they go to for those training programs. As it turns out, we have a lot of people who know about setting up the apprentice programs and a lot of experience so we could work that. But it was very expensive and time consuming. We made some missteps. Some of the people in the marketplace did.

I think we got to where we needed to and we've now set up a couple of other apprentice programs around the country and I think that's been much easier than the time. So I think everyone had the right thing in mind, but I think just a general lack of good data, particularly about the supply of skilled workers in certain areas and also what kinds of training is needed and where do I get the training.

MR. ZUIDEMA: That's really helpful. I think overall there was a couple of things. Starting at the end, this – really just this idea of – so what information and data is known at the public regional level on workforce issues, etc. is not immediately apparent to people like you and others who are running businesses every day. And so making sure for the people who hold some of that economic and workforce data, they need to think a little bit more creatively about how they can make sure it's really in front of you and has your attention.

This assessment of workers I think is so key and that's really a partnership sport. And I can't really assess the workers for you until I know what you need. But on the other hand, you want to be able to have the kind of conversation with people in the public system who, if you will, get it, who are geared up and ready to go.

And with some added detailed understanding from you can actually put together a sort of successful kind of prescreening system assessment system that helps people understand either they may be ready for this or they could be ready for this if they're willing to commit to some addition trainings or certifications. And then those who are already to go, those are the ones that end up at your front door. And so you don't have to sort from 10,000 to 1,500. I hear that.

And then the whole idea really of a talent – kind of a regional talent bank, which is something that happens here and there, but I think is not widespread. And it's really the notion that it's looking through both the unemployment ranks as a talent bank, not a bunch of laid off people or people out of work but what talent exists there; people who are actively looking for work as well as the potential of others who may be at work and thinking of other opportunities. How does a local workforce system economic development system create a talent bank that articulates to a leader like you what your options and opportunities are for being able to attract that kind of talent? So that's very helpful.

MR. SPIEGEL: No. I agree. Byron, I was just going to add something. I think the idea of a bank is, I think, very important. And again, I'll go back to referencing our experience in Germany. But over there, the states play a big role in managing the supply and demand.

So they basically spend a lot of time with companies understanding what are the skills needed for the facilities and the businesses you have. And what is your normal hiring rate? Not just that you're adding new jobs, but just the turnover and transition that's needed. So how many of these kinds of people? And also, what skills are new and what skills – what skills don't you need as much of anymore and what new skills do you need more of?

But then also understanding the supply. Going to the various training programs, the universities, the community colleges, and understanding what kind of programs they have, and then matching that supply and that demand. And I think this is a big gap we see everywhere in the country. We see these disconnects and that's where you see these issues around finding enough skilled workers. So I think – and we're always very open. We're happy to spend time with these workforce boards and things or being part of workforce boards to say here's the businesses we have, here's the kinds of jobs we're hiring for. But more importantly, here are the skills we need.

And as I upfront, those are changing quite radically in the new digital environment. And manufacturing is becoming more computerized, more robots, more lasers. I mean, it's hard to imagine someone working a production facility that doesn't have some computer skills and be able to read computer printouts and understand what's happening in the plant and a timed thing.

So those things are changing rapidly. So this is why this dynamic really needs – it really, as you said, it is a team sport. You need to get the educators, the companies, and government and workforce board sounds like a good place to do that. But they all need to be working in unison to make sure that really good data is flowing because I think to your point, what we've discovered in a lot of places and in this case, that the data that was existing wasn't all that useful.

MR. ZUIDEMA: Sure. Well put. And I think something we're aware of. And really another part of the investment act is – calls on us all to do a better job of both compiling that information – well, compiling data, turning it into information. That's actually consumable. And then making sure that people are aware the information is available.

I wanted to go – we'll come back to a little bit more general dialogue here. But we do have one question that is posed and so I just wanted to ask you, Eric, from the point that Siemens noticed this kind of training was needed, you talked a little bit about you had this moment where you realized this, how long did it take to – for you to be able to implement the courses through the community college and get to the point where, if you will, you have the finished product? You were beginning to have workers that came through that system.

MR. SPIEGEL: Yeah. So there's two pieces to that. One is that we realized – actually, fortunately, we started all this, I think it was about 15 months before the plant was going to open while we were constructing and adding it on. So there was time to take the current workforce and also some of the people who we had found in the workplace who could be trained and put them through a training program. And we were able to put that together relatively quickly because we have a standard megatronics program. Siemens is a global leader in megatronics. And that's a typical program that is used for advanced manufacturing.

So we started a bunch of people through that program and they spent about a year in that program. The apprenticeship program, I think, was started about the time the plant started up. And so it probably took us 12 to 18 months to actually get that set up to work with the community college to put the curriculum together, go get the professors trained.

And then also what wasn't easy was going out and spending time at various high schools and starting to recruit people to be part of the program. That was not an easy thing because it's a different value proposition for high school students or veterans or people who are out in the workforce doing something else who want to change their careers.

This idea that you're going to work part-time, go to school part-time, you're going to get paid to develop a skill and things, that's – in other parts of the world, that's more complicated. And I know the U.S. – and I think the apprentice model is growing quite a bit. But in that part of the country, there wasn't a lot of it. There wasn't a lot going on in Charlotte at the time.

And so I think this was the new model for everyone in the process to develop and a new value proposition. So even finding people who want to participate in the program initially was not easy.

MR. ZUIDEMA: Yeah. That makes so much sense. And I agree. It can reinforce. Apprenticeship is certainly on the move, on the growth here in the U.S. Clearly, when you have the president of the United States who will mention it and then you have Secretary Perez who's promoting it.

But really, in all candor and fairness, people like you who have shown how this works by just doing it and then being willing to talk about it – talking back to us, the feds, is really appreciated. But the fact that you are a leader among your fellow business leadership is key because that's the voice they're going to be most interested in.

Along those lines, clearly you are – have been a leader in this and you were drawn into it. Certainly, if you will, it's a certain amount of enlightened self-interest. You know this was good for your company to have this kind of involvement. But let's back to thinking a little bit more broadly about the industry idea, sector strategies, other business leaders in the community. Any advice and observations to the collective workforce system about what is it that we need to know or do in order to really engage with business leaders and make it a reality that jointly we can turn a public workforce system into something that's actually engaged with and business needs?

MR. SPIEGEL: Well, I think one of the first things, I think this idea of these workforce boards is very powerful and I know there's requirements around having significant business engagement in those. And we've been encouraging around the country our business leaders at our facilities and major offices to get engaged in these workforce boards. And so I think that's one very powerful way to provide information, but also to make sure that the – these local communities are taking the right steps.

I think the big thing is first, I wouldn't be afraid to reach out to companies. Everyone knows who the employers are and their marketplaces; the big ones and small ones. Obviously, we've got businesses to run and things like that, but we're finding skilled workers and finding local skilled workers and making sure that there's going to be a steady stream of those people is a major part of any business strategy. And so we're always open to engaging.

Now, I would say that one of my – what I always advise people when I'm talking to cities on these workforce boards and things is come prepared. When you go out to visit a company, have some information about what they do, what kinds of people they're hiring. Have some information around what the situation for that kind of skilled labor is in the marketplace. I mean, come prepared to have a conversation. Asking questions is good and getting information is good.

But I would say that companies and a lot of our operations around the country, they're looking for people to come in and help them think through either new ways or new opportunities, places where they can hire new training programs that are available to them. Anything you can do to make it easier for them to understand where the types of people are that they're going to need in the future or the types of training programs.

And I think you'll even find – we recently researched this inside the company. As I said, we have over 80 manufacturing locations. Almost half of those locations are involved in some way with the local community college or technical school with some kind of program. In many cases, it's not a full-blown apprentice program, but some kind of internship co-op training program.

And in many of those cases, we find out about those programs, not just because the schools have approached them, but in other cases because some workforce group in that market has engaged with the business to suggest that they get involved. And in some cases, we even pay for and sponsor the development of some of those programs.

You'd be amazed if you reach out and sit down and talk to companies like Siemens and many other companies. The information you'll find but also you'll find that they're pretty that they're pretty receptive to helping ensure that those kind of programs exist in the marketplace. So I would say being proactive is probably the best advice. Don't sit and wait for companies to come to you. Reach out to them, but do your homework.

MR. ZUIDEMA: That's really good advice, I think. And we're going to hear more from state and local leaders in the business fairly soon here. But I do think having walked around for a while in this system, there is this – at times, there's this interesting phenomena at the community level where business leaders are saying I wish – I heard there's a board, I heard there's a workforce system. I wish they'd find my door and come and talk to me about it.

Meanwhile, the workforce people down the street are saying I wish I knew how to go and talk to Eric because I'm thinking he might have job opportunities. And for some reason, we don't just step in and do it. But I think well put that do your homework. Do the research. These days, there's a lot of information available through a variety of sources and at least make sure that you understand the nature of your contact, what business they're in, what basic things you can learn about what their interest might be. So that's really good advice.

I think we're ready to move into wrap up here, Eric. I did notice there was one question about you had indicated that you really aren't looking necessarily for high school diploma people in your jobs, but you do recruit in high school. I think what I understood you to say is of course you're recruiting at the high school level for people who may want to accumulate these added credentials and certificates and skills and come to work there. So I think that's the answer.

But I would really like to – we're at about a couple of minutes here. And Eric, I would just like to benefit from your overall wrap up observations about any further advice or observations you have for us today about the topic.

MR. SPIEGEL: I would just say quickly – and first of all, thanks for having me on.

Maybe a couple of things. One is I really been impressed with the commitment that President Obama and Secretary Perez have had around this. I know Secretary – I've had many conversations with the secretary around this issue and he's very engaged as is the president.

I was part of the advanced manufacturing partnership 2.0 and I was a co-lead of the workforce piece and we spent a lot of time and a big part of the recommendations was more formal apprentice programs. And I know the president has put money in that direction, which is great. And I think actually a couple of rounds of money into apprentice programs.

And I know the secretary has traveled around. He's been to one of our facilities, I know, where we have a lot of training programs and apprentice programs and we spend time talking about that. So I think the commitment of the administration has been great. Hopefully that continues.

I think my big word of advice is this: I think the skills gap is real. There's a lot of people out there who say that it's not real. We have plenty of workers that are trained, etc. I think as a large company that manufacturers many people in many fields, I can tell you that we are very concerned about the skills gap. We've run into skill shortages in many places, not just megatronics. We have shortages right now in advanced welding and field technicians and other areas; probably have a couple thousand job openings at any one time.

And so engage with the local businesses, as I said. Come ready to talk. But I think if you have a good strategy for your region and you can start the balance of supply and demand, make sure the right training programs in place, I think you're going to find a very receptive audience from business, at least companies like Siemens and other CEOs I talk to. This is a big challenge and we need all the help we can get.

So I appreciate you all participating in this and hopefully I had a couple of comments that were useful to people.

MR. ZUIDEMA: Eric, thank you so much. Again, I know the secretary appreciates the conversations with you. You've been a great leader for us here in the department on apprenticeship and really just workforce issues. A huge promoter and spokesperson for what we're all trying to collectively trying to do and we appreciate it so much. Thank you for taking the time. And I know that it has been very helpful to the audience.

Audience, a few questions got queued up. We can handle those later in the Q&A session. But once again, Eric, thank you very much for all the insights this afternoon.

MR. SPIEGEL: Thanks, Byron.

MS. WALTON: So much. Byron and Eric both just giving the people who are on the other end of the line the information they came to hear. The specifics that Eric provided, so great, and we're going to learn more I'm sure.

We're going to turn right now to Ron Painter. Ron is the big cheese, chief executive officer of the National Association of Workforce Boards and hence represents about 62 percent of the people who are on the call. People doing this regional work, doing the sector work, the place where it's all very real. So Ron, you have any responses to what you just heard? And of course, your wise counsel for your local.

RON PAINTER: I may have counseled, Diane. It's probably up to the audience to decide whether or not it's wise.

Byron and Eric talked about something that I've really come to appreciate in my career. And looking and thinking about connecting to the businesses in the community, both hit on be prepared. And part of that, for me, is really getting focused on data. Not only trying to understand the industry data, how large are some of the employers in our area, what are large employers.

But looking at the job report, the job openings, and labor turnover report, I mean, getting a sense of – because it'll do nationally quits, hires, vacancy rates. So getting not only a national sense of where that is for a particular industry, but it also breaks it out into regions. So I think beginning the conversation or putting into that conversation with business, some comparative. Where are you? Is this an issue with you?

I know a number of workforce boards have worked with companies in their region to reduce turnover. And turnover is a significant cost for an employer. So having that kind of data, understanding the industry, as Eric mentioned, Byron mentioned and I absolutely agree, knowing your data. We serve about 18 million people a year through the workforce development system. That is an enormous amount of data about what we understand about a portion of the labor force.

So I think local areas trying to figure out ways to capture the data about who do they interact with. What do they know about the people who hit their website? What do they know about the people who come into the One-Stop?

I think a number of the boards have said to me or – that is they have gone about their sector work. Listening is critical. This isn't about what you have to offer. This is really a conversation, first of all, with business about what kind of needs they have. And don't be surprised if those first conversations and it's why I think you need to think about a team approach to the outreach to business, including economic development. Don't be surprised if those – if that conversation or the first couple, there are issues beyond workforce.

I used to work for a mayor. So when we talked to businesses, sometimes it was the parking permit. Sometimes it was the alley outside their business, restrictions on loading, unloading. I think that's part of building a trust with the businesses in your community and in your region, but you really are there to try and help solve problems.

I think then the broader conversation between our industry and business becomes one – I think there has to be a conversation about how are these initiatives funded. And I think workforce boards have to get involved in looking at career and tech funding and PK through 12 funding, and community college funding. I think these are necessary issues that boards have to look at.

Secondly, I think it's the conversation. And you mentioned this early on. As I talk to companies, it's not one certification or one credential fits everything we do across our company. It is about sometimes the certifications we use in one locale are different than what we use in the other. So I think getting that conversation about what's really critical in our area, not only just the skills around what's the certification.

It's been remarkable work done at the Henry Ford Community College around performance based objectives. Really working with companies around, okay, so you have the certification. Really, how do people use it? How do they actually use the skills on the job? And then translating that into much more refined curriculum around not only teaching the skills. I think they describe it as not only does the instructor know what to teach, but the student knows what they learned. And I think that becomes really critical.

Finally, I think that the organizations and workforce development, including economic development, really need to be aware and talk among each other around industry sectors in their region that are going to advance that may be vulnerable. What can they do to strengthen the companies and the workers that are there?

So I'm going to hand that back to you. If we have any questions, I'm happy to answer.

MS. WALTON: I do want to say we have had some local workforce development board people on the presentation through the week. Joe Barela was on; Kristina Payne from Lane Workforce Partnership; very different ways that they got to those things that you're suggesting, but they did each get to them in their community. So somehow how NOB allows that – those differences to play as people learn how to do this has been very impressive.

So thanks for everything. And we're coming back to you for more in a minute. But right now, Martin Simon is waiting to share wisdom. Martin represents the National Governors Association. People may or may not know. The governors have done remarkable work on sector strategy over the past decade. And actually, Eric Schmidt's first writings about it that I saw were in materials from the National Governors Association long ago and it's all coming back around.

So Martin, tell us what happened.

MR. GONZALEZ: And Martin, your line might be muted.

Martin Simon: Thank you, Diane. It's great to be a part of this virtual academy. And I want to pick up on some of the thoughts that Ron shared more from the local perspective. First, this academy is about business engagement and I think Eric Spiegel and Siemens epitomize high quality business engagement with Siemens work in advancing apprenticeship and their partnerships with educational institutions. And also their investments through the Siemens Foundation in advancing STEM skills and work-based learning and apprenticeship.

We're fortunate at NGA to be partnering with the Siemens Foundation on two projects. One is in supporting the American Apprenticeship Initiative Grantees and then another on work-based learning and advancing that particular around STEM skills. So having Eric on the call and being able to share his perspective I think is a very valuable way to close out this academy.

I just want to share a few thoughts on what I think state level policy makers can do to support the work at the regional level that Ron was talking about. I think one of the first things is it's important for state policy makers to recognize that industry sector partnerships, for the most part, are established at the regional level and built into local and regional economies. And so I think a main role that states can play is help to create the conditions for regional partnerships, sector partnerships to be established and then to thrive and also to be sustained.

I think these conditions, they'll go beyond just simply short term sector initiatives where some seed money is put out there. But the re-thinking the whole business of the talent pipeline and talent development where the sector partnerships become the norm for how the education and training and employers come together across the state within a region to address the challenges that Eric described – the skill shortages and where there needs to be opportunity for workers that don't have access to good jobs.

I think part of these – and creating these conditions to support these partnerships, just wanted to – a few things to focus on. Everyone usually talks about the importance of having a vision and goals, but I think at the state level, it's important for the state agencies to come together around a common vision of supporting partnerships at the regional level. I think one of the complaints that states make about the federal level is that the federal agencies don't work together.

And when I worked at the local level, I complained about the state agencies not working together. And so because of these partnerships at the regional level are supported by multiple funding streams, I think it's important for the state agencies to have their act together and work in unison for reason that Eric used in his comments. So that there is a common message and that resources are brought together in support of the regional efforts.

I think many states have used the WIOA planning process to set out a vision and goals to support sector partnerships. Eric and Ron both emphasized the importance of data. I think states can have an important role they can play in providing a higher quality data and other tools that really help support the regional partnerships. State labor market information agencies, I think, are becoming more and more sophisticated with different data tools to be able to help support that.

Another thing that a lot of states are beginning to do is provide assistance to regional areas and building the capacity to be able to actually establish the partnerships between industry and education and training. And I think that's another role that state policy makers can play.

Another, we're increasingly seeing states looking at how they can better measure the success of their sector strategies, and again, using information to support that. And I think this is an area where we need to see more developments so that we have much better understanding of how these partnerships are doing.

Are they successful in providing the skilled workers to help fill that skill gap that Eric referred to? But also providing opportunities for future and current workers to be able to advance to good jobs, but understanding that that means we have to have good metrics and feed those metrics into the policy and investment decisions.

So those are my thoughts at this point. But just to kind of wrap up, I think the business of talent development is not the prevue of one sector. It really demands the full attention of the public and private sectors. I think on the public side, we have to get business engagement right by eliminating some of the barriers to that engagement; and on the business side, accepting the important role that they play in talent development by being able to effectively communicate their needs and then becoming joint investors in this important endeavor. Let me stop there.

MS. WALTON: Thanks, Martin. I think you make that point so eloquently about the – it's the public and the private sector coming together to make this work. And I think that's one thing that we've heard a lot this week. The sort of what it looks like to make this happen, to bring the employers, to bring business into our mix to have us be all part of one endeavor in different regions rather than just handing off plans to one another but to really create things together, what that looks like, what it feels like for employers, what it feels like for people on the workforce side; and really, really just some very basic points about what it takes to make that happen.

I hope everyone who's with us hears the remarkable support there is for taking these steps toward this work. It's because we believe that this work done well benefits every region in the country. We're trying to lift the bottom and grow the middle and drive the top of this economy so that more and more people are able to participate at the level that they need to. And we are so happy to have you guys in the game with us.

And we are available to you and we are at your beck and call, of course, at the Department of Labor. And I think Ron and Martin have made it very clear the support they provide to their various constituencies.

So throw yourselves at it and give us a holler if you need some help. And with that, enjoy the rest of your day.

MR. GONZALEZ: Thanks, Diane.

(END)