

# **Sector Strategy Approaches**

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# CHARACTERISTICS OF A HIGH-PERFORMING INDUSTRY PARTNERSHIP

THE NATIONAL FUND FOR WORKFORCE SOLUTIONS

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The National Fund defines an industry partnership as a dynamic collaboration of a regional group of employers—typically from a particular industry sector, but sometimes from multiple sectors or based around a set of occupations—who convene regularly with the assistance of a workforce intermediary. Employer members discuss their shared human-resources issues, exchange information about industry practices, and take specific actions to address workforce challenges. Many partnerships also include representatives from organized labor groups, trade associations, workforce investment boards, community-based organizations, and educational institutions. A labor-management committee may serve as an industry partnership.

Partnerships that are highly effective at solving workforce-development challenges tend to share the seven characteristics listed below. These characteristics are consistent with the National Fund model.

A high-performing industry partnership...

## 1. DEVELOPS AND MAINTAINS EMPLOYER LEADERSHIP

- a. Has employer members that actively and consistently **participate** in directing the work of the partnership.
  - decide on the design and implementation of training and other services
  - operate through a labor-management committee, where appropriate
- b. Uses **labor-market information** to inform and improve its work.
  - economic, industry, and employer-specific data
- c. Strives to coordinate with regional workforce investment boards.

## 2. PRODUCES EXCELLENT OUTCOMES FOR INDIVIDUALS AND EMPLOYERS

- a. Achieves a variety of **measurable outcomes** for individuals.
  - credentials awarded, job placements, promotions, wage gains, etc.
- b. Produces **business impact** for employers, helping address key workforce challenges.
  - higher productivity, lower turnover, greater customer satisfaction, etc.
- c. Makes the business case for creating family-sustaining careers for workers and jobseekers.

## 3. SERVES LOW-SKILL, LOW-WAGE INDIVIDUALS\*

- a. Directs training investments primarily toward enhancing the skills of low-skill, low-wage individuals.
- b. Brokers **support services** for low-skill, low-wage individuals.
  - transportation, day care, case management, etc.

\* This characteristic is central to the mission of the National Fund, but it is not necessarily required for success as an industry partnership.

## 4. PROMOTES CAREER ADVANCEMENT

- a. Develops **strategies** to support career advancement among low-skill, low-wage workers.
  - education, training, career coaching, tuition assistance, etc.

## 5. PROMOTES INDUSTRY-RECOGNIZED CREDENTIALS

- a. Ensures that employer members understand the value of industry-recognized credentials.
- b. Works with employers to identify industry-recognized credentials that are most relevant to each industry.
- c. Urges employer members to use industry-recognized credentials to inform hiring and promotion decisions.
- d. Encourages education and training partners to develop programs to support industry-recognized credentials.

## 6. COMMUNICATES KEY INFORMATION TO STAKEHOLDERS

- a. Ensures that employer members share **industry intelligence** about current and future challenges.
  - skills gaps, education and training needs, industry trends, changes in occupational mix, etc.
- b. Regularly **communicates** desired skills and competencies in an organized fashion.
  - to education providers, economic development officials, community-based organizations, and other workforce stakeholders

## 7. OPERATES WITH KNOWLEDGEABLE STAFFING PROVIDED BY OR THROUGH AN INTERMEDIARY

- a. Staffing support brings **expertise** to further the partnership's goals.
  - an understanding of the industry sector and the employers within it
  - a demonstrated ability to engage and work with employers
  - an understanding of exemplary practices within the sector
- b. Staffing support is **entrepreneurial and flexible**.
  - is responsive to changing market conditions
  - maintains good relationships with employer and workforce partners

## RESOURCES

[National Fund Principles: Collaborative and Partnership Achievements](#). Barbara Baran, Stephen Michon, Suzanne Teegarden, Leanne Giordono, and Kendra Lodewick. Exhibit I-1 (page 10), Exhibit I-6 (page 16). August 2012.

[Workforce Partnership Guidance Tool](#). Radha Roy Biswas, Geri Scott, and Fred Dedrick. November 2010.

[Partnerships: A Workforce Development Practitioner's Guide](#). Lisa Soricone, Navjeet Singh, Rebekah Lashman, and Theresa Rowland. May 2013.

[Sectoral Strategies for Low-Income Workers: Lessons from the Field](#). Maureen Conway, Amy Blair, Steven L. Dawson, and Linda Dworak-Munoz. October 1, 2007.

The [National Fund for Workforce Solutions](#) partners with businesses, communities, and philanthropies to develop employer-driven workforce strategies to help low-wage workers and jobseekers obtain career opportunities, while creating talent supply chains that close skills gaps and strengthen local economies.

The National Fund is an unprecedented initiative of national and local funders whose goal is the career advancement of low-wage workers using a model of substantial employer engagement to increase the potential for successful outcomes. The unique value of the National Fund rests on its support for local communities to organize and sustain regional funder collaboratives that invest in worker skills and their key regional industries.

The collaboratives are catalysts for generating additional investments in creating sectoral workforce partnerships, training workers, and improving workforce practices.

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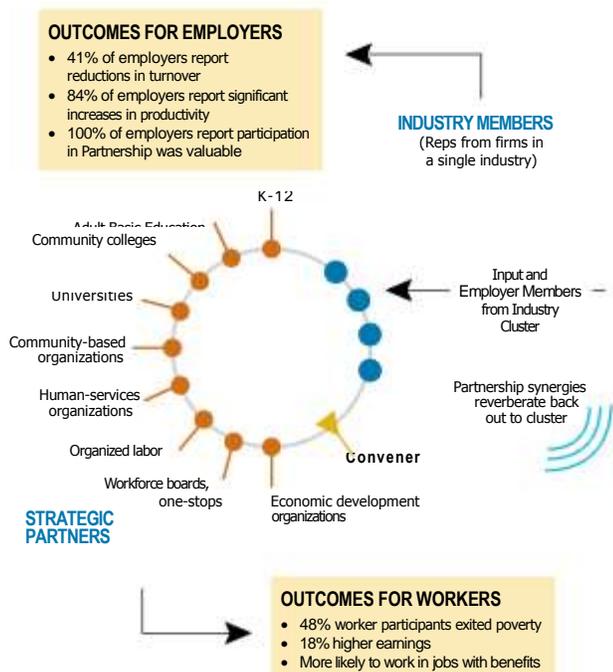
FIND US ON:  

## SECTOR PARTNERSHIPS: WHAT WORKS WELL (AND NOT SO WELL)

- Clusters of Companies
- Employers as Partners
- Industry Driven
- Regionally Based
- Existing Industry Strength or Emerging Speciality
- Focus on Industry Competitiveness and Growth
- Opportunity Focused
- Employer Priorities First
- Champion Driven
- Coalitions of the Willing
- People and Relationships
- A Disciplined, Replicable Process

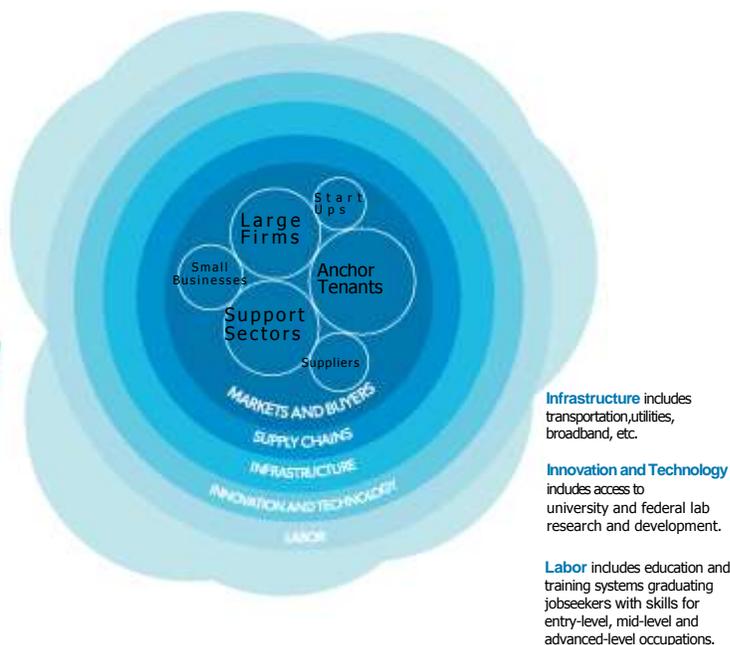
- Individual Firms
- Employers as Customers
- System or Institution Driven
- Statewide Top-Down or Too Local
- Wishful Thinking
- Focus on Workforce Only
- Problem Driven
- Target Populations First
- Representation Oriented
- Futile Search for Consensus
- Organizations and Jurisdictions
- A Mysterious, Unique Occurrence

## THE SECTOR-CLUSTER CONNECTION



### INDUSTRY CLUSTER

An industry cluster consists of large and small firms in a single industry. Firms in industry clusters benefit from synergies of association related to shared labor, sources of innovation, suppliers, markets, technology and infrastructure.



Adapted from National Governors Association, The Woolsey Group

## GETTING THE SCOPE

**JUST RIGHT** Ask yourself:

### Is the Geography right for this partnership? Too big, too small? Just right?

- Too big: A whole state. Half a state. (Hint: put some parameters on your geographic reach like: strong identity for this industry in a particular area, like along a Highway corridor? Is this reach manageable, i.e. will we actually interact and encourage interaction?)
- Too small: A neighborhood (Why not? Because you won't get the depth and breadth you need to really address a target industry's needs)
- Just right: Start with your target industry's natural labor market region with parameters that will actually allow for a collective identity and employer-to-employer interaction. The geographic reach may expand or narrow over time.

### Is the Scope of Industry right? Too broad, too narrow? Just right?

- Too broad: "Advanced Industries" defined as any industry that uses some advanced technology (bioscience + aerospace + IT, etc). (Why not? You're taking on the world!)
- Too narrow: Tortilla Manufacturers. Physical Therapy providers. Trucking companies. (Why not? You'll end up with one short-term solution, not a partnership.)
- Just right: Advanced Manufacturing. Food & Beverage Manufacturing. Healthcare providers. Transportation and Logistics. (Why? Breadth and Depth)

### What about employer champions? Membership? What is too big, too small? Just right?

- Too big: 150 employer champs at your launch meeting!
- Too small: 2 employer champs at your launch meeting! (if this happens, just have a conversation with them, ask them to help you build an invite list).
- Just right: Aim for 25-30 champs at your launch meeting, be happy if you get 10 or more. Aim for a broader employer membership of much bigger: 30-80 members, and over time expect to reach all or most of companies in your region and target industry, even if they are not active champs or members.

### Are we expanding beyond our own jurisdictional boundaries?

- Don't just be a LWIB, economic development agency, college or single organization doing this work.
- Do expect that your support or partner team will be multiple lwibs, economic development agencies, colleges and other organizations.
- Do expect to cross city and county lines (no sector partnership is actually in just one if they're really looking at their natural labor market).

## Box 1. Eight Areas for State Action – A State Sector Strategy Framework

1. Create a Sector Strategy Committee that includes representatives of industries critical to the state economy; leadership from key public systems such as workforce, higher education, economic development, and employment support services; and legislative members. Sector strategy committees are forums for information sharing and joint, sector-focused policymaking. **Colorado's** committee, part of its Governor's Workforce Investment Board, meets quarterly to help guide state sector strategies.
2. Align Policies across Systems. Just as it takes practical coordination among workforce, education, and economic development programs to create a successful sector partnership, it takes policy coordination at the state level to remove barriers and align strategies so that local stakeholders can work better together. **Minnesota's** Department of Employment and Economic Development created a map of various programs serving workers and employers across multiple agencies and a common vision to bring them into alignment.
3. Cultivate Business Champions to promote the sector strategy approach with other employers, industry associations, and legislators. By bringing together employers from diverse industries and regions, **Pennsylvania** built an informal but powerful, bipartisan coalition of private sector champions who rally for industry needs and investments in training to support sector partnerships.
4. Build Legislative Support to secure funding to support sector partnerships, as **Massachusetts** and **Pennsylvania** have done, and to put sector strategies into statute, as have **Pennsylvania** and **Washington**. Other states secure funding to support education and training for specific key industries, for example, **Oklahoma's** tuition tax credit for aerospace training.
5. Provide Good Data and Industry Expertise to local stakeholders so that they can make good decisions about industries, occupations, worker populations, and regional labor markets. Nearly every state that is implementing sector strategies produces industry reports, cluster analyses, and guidebooks. For example, **Arizona** used multiple industry databases to put together regional profiles of critical industries. **Minnesota** and **Oklahoma** additionally hired former industry leaders as experts in health care, manufacturing, and aerospace to work directly with local partnerships to help with data, trends, technical assistance, and recruitment of local employers into partnerships.
6. Find and Leverage Funding to Support On-the-Ground Implementation. Sector partnerships need dedicated staff to coordinate and facilitate. Creating such a staff takes time and resources. Most states have used governor's WIA discretionary funds to seed the development of local partnerships, but with shrinking WIA budgets, they have turned to other funding sources. In **New York** and **Virginia**, for example, foundations provided seed funding for regional sector strategies. **California** used the statewide interest in green jobs to secure U.S. Department of Energy funding via their state's energy commission to provide sector partnership start-up grants.
7. Provide Training and Capacity Building for Local Programs. **Arizona, Idaho, Maryland** and **Oklahoma** convened "Sector Strategy Academies," in which local teams representing the workforce, economic development, community colleges, community-based organizations, organized labor, and other stakeholders come together to learn about the sector partnership model, including effective industry analysis, employer engagement, partnership building, and design of industry-relevant training programs. **Colorado** and **Wyoming** offer such academies every year for the growing number of participants in local sector partnerships, providing opportunities for shared learning and for making connections among partnerships that might be focused on the same industry.
8. Develop a Shared Message, Track Outcomes, and Share Success Broadly. Messaging campaigns can help various constituents and stakeholders understand that sector strategies are a "new way of doing business," not just another "program." States can be especially important in helping local partnerships measure and track their impact on workers and employers. **Massachusetts** dedicates an evaluation staff to track outcomes, create evaluation toolkits, and create reports that share the outcomes of local partnerships.