Sector Strategies in Action:

DRIVING SECTOR APPROACHES INTO WORKFORCE SERVICES
About This Brief

This resource is part of a series of integrated briefs to help workforce 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 http://bit.ly/22Cxle7.

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 to identify and solve pressing human resource and other challenges. Sector partnerships are the vehicle through which businesses voice their talent needs and regional partners collaborate to develop customized solutions to meet those business needs.
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Sector Strategies in Action: IMPLEMENTING DEMAND-DRIVEN WORKFORCE SERVICES

INTRODUCTION AND OVERVIEW

A number of national efforts, including the Workforce Innovation and Opportunity Act (WIOA), are driving workforce organizations to adopt sector strategy approaches to meet the needs of businesses and workers. As these approaches get implemented more aggressively, it is expected that stronger regional industry sector partnerships (in health care, manufacturing, IT, among others) will take shape. These partnerships provide the workforce system an avenue to engage with business on an important strategic level: identifying common skill needs across high-growth companies and building meaningful career pathways for a range of workers. For many workforce areas, this will be a new way of doing business.

To fully realize the benefits of a sector strategy approach, however, workforce areas must do more than engage in an industry sector partnership or two. For sector strategies to truly impact workers and businesses, information gleaned from these partnerships must be used to drive how services are actually delivered on the ground from customer to customer. American Job Centers, especially, can change how they serve their customers based on this demand-driven sectors approach.

This resource provides practical ideas and real-world examples of how workforce areas can use sector strategies and industry partnerships to drive change at the service delivery level for businesses and job seekers. By designing services to align with the needs of high-growth industry sectors, workforce areas can achieve better outcomes for both businesses and job seeker customers – and will be positioned to be the true drivers of the talent pipeline for their regional economies.
Sector strategies are among the most effective ways to align public and private resources to address the talent needs of employers. While not new, a growing body of evidence shows that sector strategies can simultaneously improve employment opportunities for job seekers and the competitiveness of industries. More and more workforce areas are using sector approaches as the foundation driving their strategies.

At the heart of sector strategies are sector partnerships (sometimes also referred to as industry partnerships, workforce collaboratives, and regional skill alliances, among others). Sector partnerships are regional collaborations of businesses within one industry cluster that work closely with government, education and training, economic development, labor, and community organizations to identify and solve workforce and other challenges.

*Figure 1: Industry Sector Partnership Model*
Sector partnerships are the vehicles through which businesses in an industry voice their critical workforce needs – and then regional solutions are formed by the partnership to meet those needs. In a typical health care sector partnership, for example, regional education and training partners work with hospitals, health clinics, and other medical organizations to identify common occupation and skill needs and credential requirements. The partners then work together to identify the right training, hiring, and career development solutions.

For more information on sector strategies and sector partnerships:

- Visit the Business Engagement Community of Practice (businessengagement.workforcegps.org) to access resources on sector strategies and partnerships, including assessment tools, best practice examples, and peer learning opportunities.
- Watch this video (ion.workforcegps.org/resources/2016/06/30/10/27/VoE_Sector_Partnerships) to learn how one workforce area, Wichita’s Workforce Board, is convening partners to address the needs of target sectors.

INTEGRATING SECTOR STRATEGIES INTO WORKFORCE SERVICES

While implementing a strong sector partnership is a critical step toward effectively serving employers and workers, it is how workforce areas use the information from these partnerships to organize and deliver services—to support the target sectors—that can make a lasting difference. Fully adopting a sectors approach requires a transformation in how workforce systems function, from the strategic level played by workforce boards to the operational level in American Job Centers where services are delivered to employer, adult, and youth customers.

In a sectors approach, services are delivered differently – they are designed to meet the skill needs of businesses in target industry sectors and provide career opportunities for job seekers in these sectors. Structuring service delivery that aligns to target sectors requires rethinking operations in multiple ways: how partners work together to align service strategies to support target sectors; how workforce professionals (business services staff, career counselors, and other front-line staff) do their jobs differently; and how career services and training are orientated and prioritized towards target sectors.
The foundation of a sectors approach is that all service delivery is based on demand. Businesses in industry sector partnerships provide information on workforce needs and skill and credential requirements. This information then becomes the basis for designing service delivery to provide services to business, adult, and youth customers that support target sectors in the regional economy. Mechanisms are established to gather industry information over time, which can continually inform the structure and delivery of demand-driven services through American Job Centers.

Service delivery under a sectors approach is more strategic, aligned, and demand-driven:

- **Business Services.** Businesses within target industry sectors are prioritized for services. Business services are organized by target sectors and integrated regionally across agencies to provide comprehensive workforce solutions to individual businesses and industry partnerships.

- **Career Exploration and Preparation for Adult Job Seekers.** Career services, such as career counseling and assessments, are more in-line with demand by helping job seekers explore career pathways in target sectors. Work readiness and other services to prepare customers for job entry are oriented to target sectors and informed by business needs.
Training. Training services, from Individual Training Accounts to on-the-job training to Registered Apprenticeship programs, are prioritized to train job seekers for in-demand jobs in target sectors.

Youth Services. Youth services are designed to expose youth to career opportunities in target industry sectors, and work experience and other activities are focused on helping youth successfully start career pathways in these sectors.

The table below provides examples of ways that workforce areas can align services to support target industry sectors, including changes that may be more feasible to implement in a shorter timeframe and those that may be achieved over the longer term.
## EXAMPLES FOR ALIGNING WORKFORCE SERVICES TO SUPPORT TARGET INDUSTRY SECTORS

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<tr>
<th>Ideas that Can Be Implemented in the Shorter-Term</th>
<th>Ideas that Often Take Longer</th>
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<tr>
<td>- Business Services Representatives (BSRs) specialize in a particular sector, and keep career counselors informed of industry needs.</td>
<td>- Within target sectors, BSRs start to provide more comprehensive solutions to business beyond the traditional focus on hiring (e.g. to worker retention, advancement, work-based learning, etc.).</td>
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<td>- <strong>Screening and referral of candidates</strong> is informed by intelligence gleaned from industry sector partnerships.</td>
<td>- <strong>Business services are organized regionally by sector</strong> and provide a coordinated response from partners through interagency business services teams.</td>
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<td>- Labor market data is customizable and focused on target sectors, and of value to businesses seeking larger trend data.</td>
<td>- <strong>Dedicated American Job Centers for target sectors</strong> are created with business advisory boards guiding services and training priorities.</td>
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<td>- BSRs develop long-term (not transactional) strategic relationships with companies, and are trained to identify specific solutions.</td>
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<tr>
<td>- Career counseling provides information on career pathways in target sectors, and <strong>assessment tools</strong> (informed by industry partnerships) are available to help job seekers assess their fit for these careers.</td>
<td>- American Job Centers offer <strong>sector-based orientations</strong> to services.</td>
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<td>- <strong>Job clubs</strong> are organized around target sectors.</td>
<td>- <strong>One career coach</strong> works with both job seeker and business customers in the same sector.</td>
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<td>- <strong>Career preparation activities</strong> (work readiness, basic skills, pre-apprenticeship, etc.) are contextualized to target sectors and business needs.</td>
<td>- <strong>Workforce system core partners</strong> build individual employment plans for customers focused on entering careers in target sectors.</td>
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<td>Ideas that Can Be Implemented in the Shorter-Term</td>
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<td>→ The majority of <strong>Individual Training Accounts (ITAs)</strong> are dedicated to train workers for in-demand jobs in target sectors.</td>
<td>→ The <strong>Eligible Training Provider List</strong> includes all education/training programs needed to develop a skilled workforce for target sectors.</td>
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<td>→ On-the-job (OJT) training, incumbent worker training, and contracts for cohort-based training are prioritized for businesses in target sectors.</td>
<td>→ The <strong>curriculum for education/training programs</strong> is developed based on the skill and credential needs identified by businesses.</td>
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<td>→ Training investments (through ITAs and OJT) are used for <strong>Registered Apprenticeship programs</strong> in target sectors.</td>
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<td><strong>Youth Services</strong></td>
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<td>→ <strong>Career awareness and exploration activities</strong> expose youth to career pathways in target sectors.</td>
<td>→ <strong>Youth service contracts</strong> are performance-based with clear expectations regarding preparation for target sectors.</td>
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<td>→ <strong>Work experiences</strong> for youth (summer employment, pre-apprenticeship, OJT, etc.) are prioritized for target sectors.</td>
<td>→ <strong>Workforce system and other community partners</strong> align service strategies to help youth enter career pathways in target sectors.</td>
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<tr>
<td>→ The majority of <strong>occupational training</strong> is dedicated to train youth for in-demand jobs in target sectors.</td>
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EXAMPLES OF SECTOR STRATEGIES IN ACTION

While many workforce areas are beginning to adopt sector strategies, a few innovative areas are already using sector strategies to drive operational changes in how they work with businesses and job seekers. The Workforce Development Council of Seattle-King Country and the Northern Kentucky Workforce Investment Board provide two examples of what sector strategies look like in action at the service delivery level.

Workforce Development Council of Seattle-King County

In Seattle-King County, Washington, the Workforce Development Council (WDC) convenes industry leaders in its focus sectors through sector panels—industry-driven partnerships that focus on workforce issues in one particular industry (http://www.seakingwdc.org/sector-initiatives). The WDC facilitates and staffs the sector panels, providing ongoing follow through with employers and other stakeholders to ensure that outcomes are realized.

The WDC is also transitioning to an integrated service delivery model where job seekers who enter a WorkSource One-Stop Center will receive a quick assessment and immediately receive services. Career navigators play a critical role in fostering persistence and success through direct guidance and coordination of participants’ progress along pathways. The WDC has incorporated sector-specific career maps into their job seeker services, illustrating occupations and industry-wide pathways available in 10 different demand industry sectors. Available both as a booklet and on the web, Map Your Career (http://www.mapyourcareer.org/) shows the current trends, sample wages, and career pathways offered in each industry sector.

Participants are also provided assessment tools, such as CareerBridge and Woofound, designed to help job seekers identify the sectors and occupations for which they may be best suited. The system has shifted over time to an industry-led approach where counselors provide job seekers with information and services linked to demand career opportunities in the Seattle-King County region. The WDC also uses a self-sufficiency calculator to help participants understand the kinds of jobs, skills, education, training, and supports they will need to attain family-sustaining careers.

Northern Kentucky Workforce Investment Board

In 2008, the business-led Northern Kentucky Workforce Investment Board (NKWIB) guided a system overhaul, placing the employer at the center of its service delivery approach. The NKWIB organized its changes along target industry sectors (currently five, including advanced manufacturing, healthcare, IT/business/finance, logistics/distribution, and maintenance/installation/repair). This demand-driven approach has affected everything from the board’s committee structure to its investments to its staffing. Specific changes include:

Business Services Team (BST): To streamline services to business—and minimize the number of workforce-related organizations reaching to businesses with similar “asks”—the NKWIB spearheaded a BST approach. The core team includes the region’s career center business service representatives, Gateway Community & Technical College’s workforce staff, economic development, and other WIB staff. The team meets twice a month to coordinate
business outreach and share findings from business visits. The teams use a customer relationship management database (Salesforce) to capture intelligence and the information is accessible to all team partners so they can see which companies have been engaged and updates on services provided. Other partners, including TANF and workforce readiness service providers, are integrated into meetings as appropriate. The BST serves as a needed filter for sector partnership meetings and provides a structure for sector partnership ideas to get implemented in a coordinated way.

**Target sector orientations**: When a job seeker enters a career center in the northern Kentucky region they are immediately assessed for interest and skills in certain target industries. Based on the assessment, if the assigned case manager, for example, identifies a possible fit for manufacturing (one of the region’s target high-growth industries) he or she channels the individual to a manufacturing-specific orientation. The orientation covers the industry, wages, career opportunities, and regional training opportunities. It is offered by staff who understand the industry and who can help promote it to the right candidates. This immediate ‘triage’ of information and services has led to more appropriate WIOA referrals and an actual pipeline of more skilled candidates.

**Sector Leads**: NKWIB positions certain staff as Sector Leads. The leads meet quarterly with higher education and training providers for focused conversations on key industry trends and solutions, by sector. A current focus of these groups is to better capture college completion rates in the region in target sectors so that NKWIB can better determine where talent pipeline gaps exist and where to place investments.

**Alignment of training resources**: WIOA training dollars are now only used to prepare job seekers for positions that are considered in-demand in their target industries. As target industries change over time, the training dollars will follow.

**Measuring outcomes**: NKWIB has started tracking more meaningful employer outcomes especially for those in its target industries. The board is interested in capturing services that go beyond simple referrals and job postings and into longer-lasting engagements like on-the-job training and other innovative services. The area is now working with one company in its IT/business/finance industry on an innovation center, a dedicated IT training space at one of its career centers. In addition, in response to the region’s manufacturing partnership, NKWIB has also invested in an employer-validated Six Sigma course, training workers in the principles of lean manufacturing.
CONCLUSION

Sector strategies are one of the most effective ways for the workforce system to identify industry-wide workforce needs, address skill gaps, and create meaningful career pathways for a range of workers in important regional industries. To truly implement a sectors approach, workforce areas must do the hard work of reengineering their approach to service delivery to align to high-growth industry sectors. While this is a significant undertaking, workforce areas that implement sector strategies down to the service delivery level are able to move beyond short-term responses to businesses to making the lasting changes that position them to be the drivers of the talent pipeline for high-growth industries in their regional economies.