

INDUSTRY LEADERS' PROCESS GUIDE

*THE CLUSTER-BASED APPROACH TO
WORKFORCE DEVELOPMENT*



Charting New Directions

A PROJECT OF THE MARYLAND GOVERNOR'S WORKFORCE INVESTMENT BOARD

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Executive Summary - Industry Leaders' Process Guide

The mission of the Governor's Workforce Investment Board (GWIB/the Board) is "to guide a nationally recognized workforce development system aligned with the economic and educational goals of the State of Maryland resulting in a qualified workforce available to employers in the State of Maryland."

To fulfill this mission, GWIB is shifting to a demand-driven workforce development system. This requires engaging leaders of specific industries to lead Steering Committees to manage a cluster-based approach that will identify workforce development issues and challenges. This will provide a vehicle to work with government and education leaders to address those issues.

An Industry Leader is a member of the Board representing a particular industry. This Board member may also serve as the Chair of the Steering Committee for a cluster-based approach or chose to recruit someone for this role.

This Process Guide is designed to give the industry leader, and the Steering Committee, a step-by-step guide through the phases of a process called the "Cluster-Based Approach to Workforce Development."

The Industry Leader has the following responsibilities:

- Chairing the Steering Committee through the phases of the initiative or, if they so chose, recruiting the Chair.
- Reporting to the Board on the progress of the Steering Committee as it goes through the process.
- Presenting the industry's workforce development issues to the Board for possible Cabinet level action and support.
- Advocating for the cluster-based approach to industry associations.
- Advising the Steering Committee about Board expectations.
- Implementing the Steering Committee's Resource Development Plan.

The Cluster-Based Approach to Workforce Development

Phase One: The objective is to create a Steering Committee of respected industry leaders who will guide and manage the process with the help of State agencies, industry associations and educators.

The Chair's role in Phase One is:

- Recruiting industry leaders and related representatives to serve on the Steering Committee.
- Creating the agenda for monthly Steering Committee meetings, with input from staff.
- Identifying the industry's workforce development issues.
- Building and implementing the Committee's Resource Development Plan.

Phase Two: The objective is to gather and analyze data that will quantify the industry's workforce development issue and document promising practices as potential solutions. The output of this phase is an Industry Cluster Workforce Development Monograph.

The Chair's role in Phase Two is:

- Keeping the Steering Committee focused on the timeline.
- Working with staff to complete research tasks between meetings.
- Identifying industry staff to research and write components of the monograph.
- Linking the research work of the State agencies with the research work of the Steering Committee.
- Reviewing drafts and finalizing the Monograph.

Phase Three: The objective is to convene an invitational Summit. A Summit is a gathering of top-level professionals from industry, government and education that will identify, prioritize and implement specific projects and initiatives designed to meet the workforce demands of the industry. It is not a conference where current issues are merely discussed.

The Chair's role in Phase Three is:

- Building and strengthening relationships that support the Summit.
- Serving as the public spokesperson for the initiative.
- Creating a list of key stakeholders to invite to the Summit.
- Building consensus and commitment of key stakeholders to implement the Summit's recommended projects and initiatives.

Phase Four: The objective is to provide guidance and oversight in the implementation of the projects and initiatives selected at the Summit.

The Chair's role in Phase Four is:

- Helping to recruit champions for each selected project and initiative.
- Monitoring the implementation and communicating periodically to all stakeholders on the project progress.
- Assisting in identifying resource support for the selected projects and initiatives.
- Ensuring proper implementation of all recommended strategies and the achievement of expected results.

Phase Five: The objective is to sustain the partnerships

The Chair's role in Phase Five is:

- Working with the Steering Committee to create a sustainable industry forum.

- Establishing relationships and services through the workforce development system, and monitoring and improving these relationships over time.
- Continuing effective connections with the supply-side.

The key principle in the cluster-based approach is what the U.S. Department of Labor/Employment and Training Administration refers to as, "the Power of E3". The power of education, employment and economic development working together to solve workforce development issues, is much more effective than each working independently.

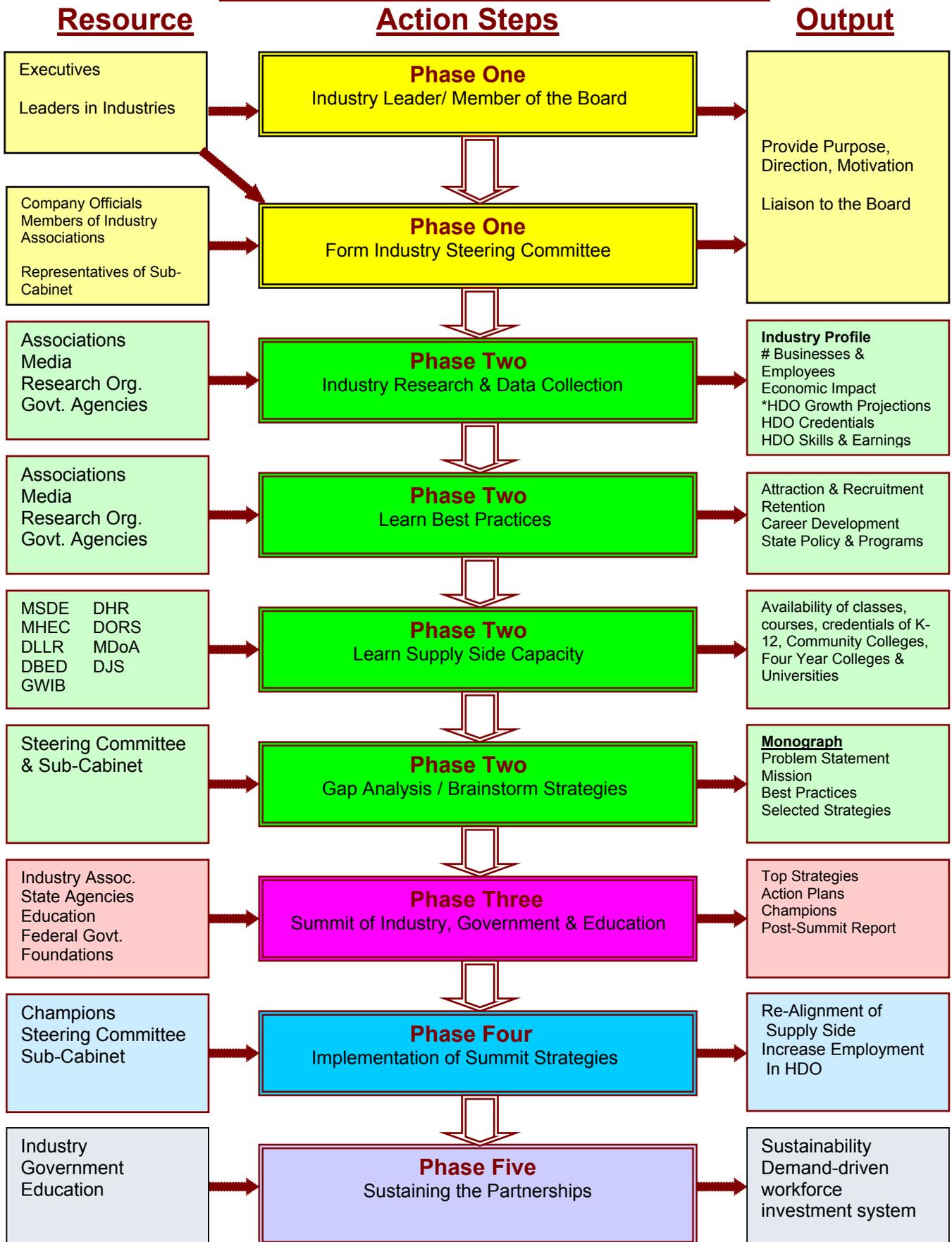
The U.S. Department of Labor recognizes the GWIB Cluster-Based Approach to Workforce Development as a national model worthy of replication. GWIB has worked with the healthcare industry using this approach, resulting in meaningful and sustainable results.

As a result of the successful Healthcare Coordinated Approach, GWIB has received a grant from the U.S. Department of Labor to establish the Maryland Center for Cluster-Based Approach. The purpose of the grant is to replicate the process used for the healthcare sector in other industries. The Center will provide limited staff and financial support to the other cluster-based approaches as they go through the process of resolving their industry's workforce development challenges.

This guide is designed to help industry leaders start an initiative and move through this proven and respected process. As Maryland moves towards a demand-driven workforce development system, GWIB looks forward to partnering with Maryland businesses.



Cluster-Based Initiative Process Guide



**HDO – High Demand Occupations*

Phase One - Formation



Phase One of the cluster-based approach is to form a Steering Committee to lead and manage the process. The Steering Committee is the foundation of the demand-driven approach to workforce development. The business-majority Steering Committee will build a consensus about its industry workforce issues and select strategies to address them.

The private sector GWIB Board member is a recognized leader of their industry. The industry knows the Board member's company as being successful in business and involved in the community.

A Board member may choose to chair the Steering Committee or may wish to recruit someone from his or her industry to chair the Steering Committee.

The Chair should develop a list of potential Steering Committee members. In developing this list, major leading companies of the industry should be considered for inclusion with the person from that company best suited to serve.

A good Steering Committee candidate is a leader in their company and familiar with the workforce issues of the industry. They must be willing to make the commitment to attend meetings and bring their company's resources to the process. (More on Resource Development follows)

Other good sources of Steering Committee candidates are industry associations. As advocates for the industry, associations usually have staff familiar with the issues in the broader sense and access to networks of industry leaders. They also have the capacity to communicate broadly with the industry and have often researched workforce issues in the industry.

The best way to recruit someone to the Steering Committee is personal contact. Direct phone calls and personal visits are the most effective means of recruitment. However, an introductory letter with a follow up phone call can also be effective.

The content of the Steering Committee's first meeting is the key to setting the tone and energy that the committee will adopt for the long term. Members of the Committee will

be highly dependent on the leader to provide purpose, motivation and direction for the effort from the beginning. The most effective Steering Committee will meet monthly.

Example of the First Steering Committee Agenda

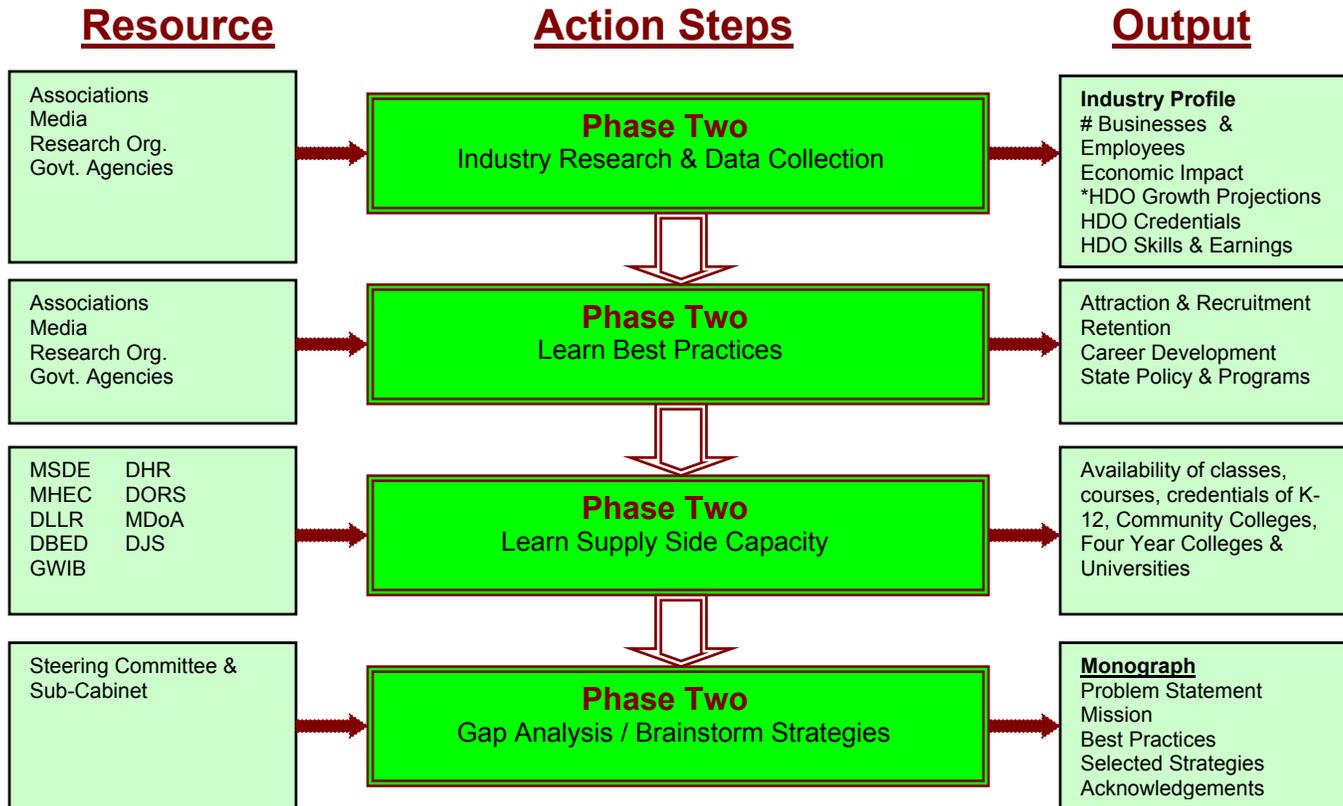
1. Welcome & Introductions
2. Overview of the Workforce Development System and Cluster-Based Approach to Workforce Development – Power Point Presentation by Chair
Objective – To raise the awareness and understanding of the Steering Committee as to what the workforce development system is, and how the cluster-based approach serves the interests of the industry.
3. Cluster-Based Approach Presenter - Chair or staff who has completed a cluster-based approach
Objective – To offer real life experience and validate the approach.
4. Present Mission and Overarching Goals – Chair
Objective – To provide purpose and direction to the Steering Committee.
5. General Discussion of Industry’s Workforce Issues – Steering Committee
Objective – To engage the committee in a discussion of the issues, to capture those issues and create a culture within the Steering Committee of involvement and participation.
6. Set date, time, and place for regular meeting
Objective – To determine a regular meeting date, time and place the Steering Committee members can count on and work around.

An option to consider, for at least the first Steering Committee meeting, is to build in a networking opportunity for the participants to get to know each other. This could be a light lunch before the meeting or refreshments after the meeting.

Keep Connected with the Board – The Board member Industry Leader and the Chair (if they are two different people) should communicate regularly to keep each other informed about the process and committee progress. A Board member, who doesn’t serve on the Steering Committee, will maintain the role as “Leader” for the cluster-based approach. A “Leader” is the person responsible for providing help and support to the cluster-based approach and keeping the Board informed of the Steering Committee’s progress.

Details on Maryland industry associations and dynamics of creating an effective Steering Committee are in the Cluster-Based Approach Process Guide.

Phase Two – Research & Documentation



Phase Two of the cluster-based approach is the research and documentation phase. The Steering Committee will research facts relative to the demand-side and the Sub-Cabinet will research the facts relative to the supply-side of the workforce equation. The Sub-Cabinet consists of executives from eight key State agencies that administer workforce programs.

The major output of this phase is an industry monograph. The industry monograph describes the industry and its general workforce development issues in the State of Maryland. The workforce issues are organized in major categories, such as:

1. Attraction & recruitment of potential workers to the industry
2. Retention of the incumbent workforce
3. Career development and/or career lattices within the industry
4. State policy and programs aligned to industry workforce demands

The industry monograph may also include promising practices identified by the Steering Committee in these categories. The final draft of the industry monograph will also include specific projects that the Steering Committee will recommend to the participants of the industry workforce summit.

The industry monograph has several utilities. It becomes the framework and reference guide that articulates the consensus of the industry. It also becomes the authoritative document for public policy makers and can be used to solicit corporate, government and foundation support.

Creating the Industry Monograph

The Demand-Side – The Steering Committee is best suited to develop the industry profile and articulate the workforce issues of the industry. The Steering Committee answers the following questions that will become part of the final industry monograph. The data resources will include industry associations, policy institutes, government databases, and existing studies and media reports.

Industry Profile

Describe the goods or services the industry produces.

How many companies are in the industry cluster and how many people does the industry employ?

To what extent does the industry support related companies or industries?

What is the payroll and tax revenue generated by the industry?

What are the High Demand Occupations (HDO) in the industry?

What skills, credentials and competencies are required for HDO?

What are the average annual or weekly earnings of the HDO?

Description of Workforce Development Issues

What are the barriers to attracting and recruiting a qualified workforce?

What are the retention challenges or reasons workers leave the industry?

Is there a clearly defined and structured career lattice?

What does the industry invest in career development and how?

What has been the traditional relationship of the industry with government and education relative to workforce development.

The Supply-Side – Local, State and Federal government and education are, to a large extent, the supply side of the workforce equation. The education system and government agencies create curriculum and develop credentials to qualify workers for occupations. Eight State agencies, administering 31 workforce programs, provide training and placement services to Maryland citizens.

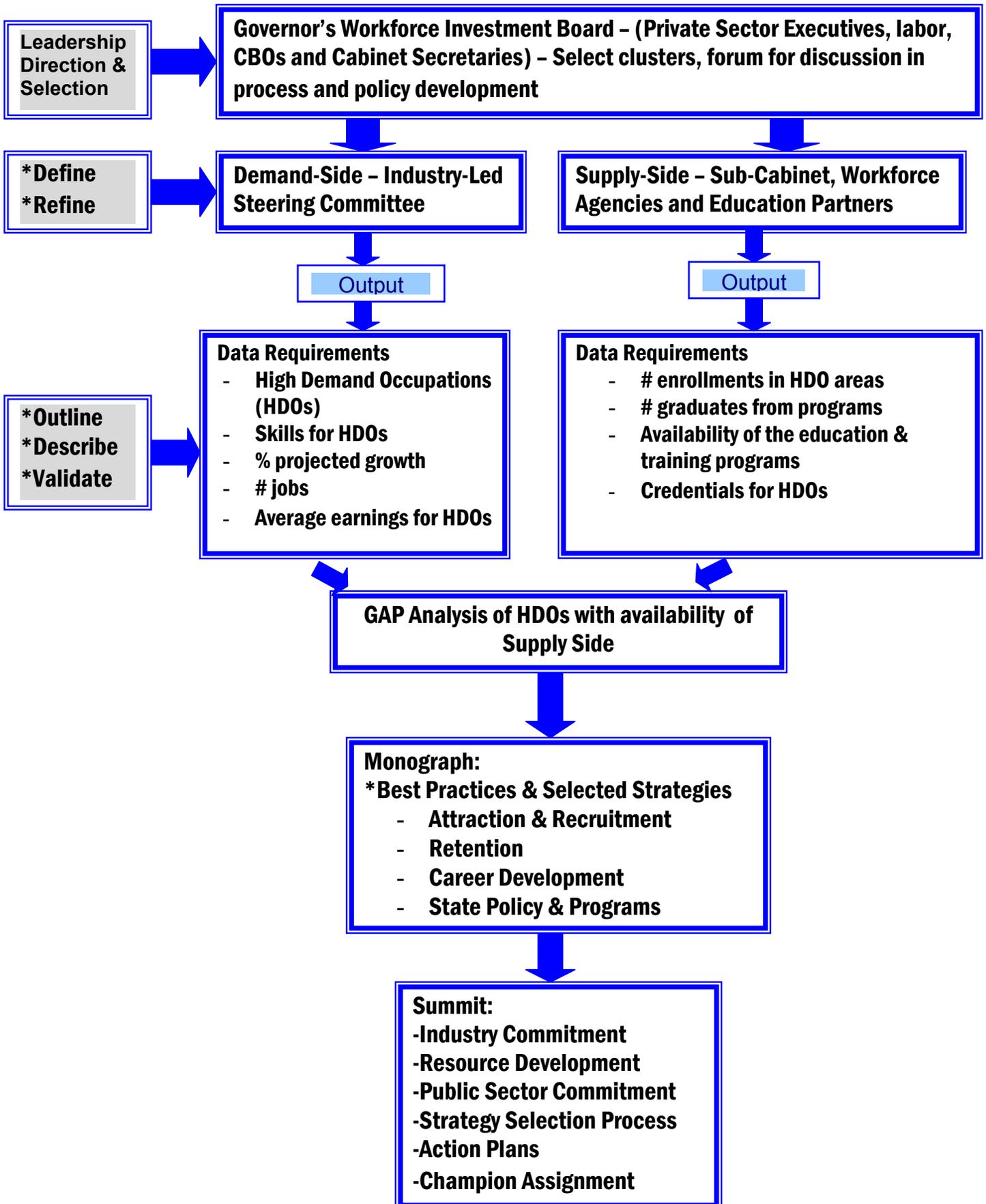
The Sub-Cabinet consists of executives from key State agencies who meet monthly and will work closely with the Steering Committee to develop workforce strategies. They will examine how the workforce development programs currently serve the industry's workforce needs and what adjustments or initiatives are needed to meet industry demands.

During Phase Two the Sub-Cabinet can collect program information for the Steering Committee that will be helpful in developing strategies. They have access to supply side databases that can determine gaps in services to meet industry demands. Some of the data available are:

- Enrollments in HDO fields of study
- Graduates from HDO programs
- Availability of education and training programs
- Credentials required for HDO
- Licensing and Certification procedures

Details on the structure of the Monograph and data resources are in the Cluster-Based Approach Process Guide.

Cluster- Based Approach



Maintaining the Process – The monthly Steering Committee meeting is the forum to continuously identify promising practices, review the research and develop projects to meet the industry workforce demands. The monthly Sub-Cabinet meetings will include discussions of how to align State workforce programs to the industry demands and a review of supply side data.

The standard monthly Steering committee agenda will include:

1. Welcome and Introductions – Chair
Objective – To recognize people recently added to the Steering Committee.
2. Promising Practice Presentation – Guest Presenter
Objective – To learn about potential new solutions.
3. Update from the Sub-Cabinet – Chair of the Sub-Cabinet
Objective – To align the work and share the knowledge between the demand-side Steering Committee and the supply-side Sub-Cabinet.
4. Review Industry Profile and Monograph drafts – Staff & Committee
Objective – To build consensus on the workforce issues and potential projects to be presented to the industry workforce summit.
5. Brainstorm projects –Committee
Objective – To update and prioritize ideas that will have high impact and select strategies based on objective criteria.
6. Preparing for the Summit – Staff & Committee
Objective – To monitor and evaluate all logistical tasks necessary to make the industry workforce summit successful.

Details on how to categorize and select projects and the logistical details of creating the Summit are in the [Cluster-Based Approach Process Guide](#).



Phase Three – The Summit

Resource

Industry Assoc.
State Agencies
Education
Federal Govt.
Foundations

Action Steps

Phase Three
Summit of Industry, Government & Education

Output

Top Strategies
Action Plans
Champions
Post-Summit Report

Phase Three is convening the Summit. The main objective of the industry workforce summit is to convene government, education and industry leaders and gain commitment for implementing the strategies developed and recommended by the Steering Committee.

The Summit is where the GWIB will publicly declare its support for, and endorsement of, the Steering Committee's work. The GWIB and industry leaders will encourage workforce development stakeholders to support the strategies of the Steering Committee for implementation.

The morning sessions of the Summit will include:

1. Welcome Remarks - Secretary of Labor, Licensing and Regulation and the Executive Director of GWIB.
2. Support & Endorsement of Industry Steering Committee - Chair of the GWIB.
3. Report on the Industry Cluster-Based Approach Process – Chair of the Steering Committee.
4. Review of Recommendations – Steering Committee members.
5. CEO Forum – The Steering Committee Chair will moderate a panel of industry executives who will discuss their mutual interest in working together to solve the workforce development issues of their industry.
6. Keynote Speaker – A Federal government executive or Nationally recognized industry leader can add weight and importance to the Summit and often inspiration to the participants.

The afternoon portion of the Summit will break the participants into pre-determined cross-functional workgroups based on the categories outlined in the Monograph, such as:

- Attraction & Recruitment
- Retention
- Career Development
- State Policy & Programs

The objectives of the breakout groups are:

- To learn the Steering Committee's process.
- To learn the Steering Committee's recommendations for projects.
- To listen to and learn from a promising practice speaker.
- To provide an opportunity to hear other suggested projects.
- To select top priority projects for implementation.
- To select champions to lead the implementation of the priority projects.

After the afternoon session, all workgroups will reconvene and report to the Summit participants on the selected projects and the champions they recommend to implement the strategies.

The event will close with a summary and an outline of next steps. A closing address by the industry leader committee chair is an appropriate wrap-up.

A post-Summit report should be distributed to all attendees detailing the process, selected strategies and champions. Be sure to include a list of all attendees including name, title, and organization. This helps the attendees "own" the Committee's actions.

Details of the day's events, logistics, including charts for workgroups, are in the Cluster-Based Approach Process Guide.



Phase Four - Implementation

Resource

Champions
Steering Committee
Sub-Cabinet

Action Steps

Phase Four
Implementation of Summit Strategies

Output

Re-Alignment of
Supply Side
Increase Employment
In HDO

Phase Four of the process involves implementing the strategies selected at the Summit. These strategies can be either short-term or long-term and statewide or locally driven.

The Steering Committee continues to meet monthly to provide oversight and direction in the implementation phase. The members will recruit the Champions if necessary, develop the action plans, monitor the implementation and communicate periodically to all stakeholders on the project progress.

It is possible the Steering Committee will continue meeting for a year after the Summit to ensure proper implementation of all recommended strategies and the achievement of expected results.

Details on implementation are in the Cluster-Based Approach Process Guide.



Phase Five – Sustaining the Partnerships



Phase Five consists of sustaining the partnerships and is ongoing. The economic environment is drastically and continuously changing for many industries. Customer demands, technological advancement, government regulation and general public expectations will continue to require certain industries to rapidly re-create their workforce development strategies.

Thus, many industries that embark on the cluster-based approach should consider creating a permanent Center for Workforce Development for their industry. This Center could continuously evolve the credentials and assure life-long learning opportunities for their workforce as the industry adapts to environmental and market changes.

The Steering Committee could evolve into the Board of Directors for the Center and the industry coordinator could evolve into the Center Director. Summit projects could become annual events and longer-term initiatives could be monitored and adjusted as the need arises.

The cluster-based approach will probably establish a relationship and services through the workforce investment system, including regional One-Stops, which the permanent Center could monitor and improve over time.

Many such industry-led Centers partner with local Community Colleges and Universities to create on-going research and development of new workplace practices and assist in technology transfer as well as training workers for new technology.

National industry associations usually have state and regional models of industry Centers for Workforce Development and often provide technical and in some cases financial assistance.

Details on how to sustain the partnerships are in the Cluster-Based Approach Process Guide.

Resource Development

The first resource required is staff support for the Steering Committee. One option is to use someone from the Chair's company. The staff person would be familiar with the responsibilities of the Chair and the Chair would be able to work closely with that person.

Another option is a representative from an industry association. These professionals are often very familiar with workforce issues and how to work with committees. They

also have broad resource networks and experience in developing and implementing projects and policies.

Throughout the process, the staff from the GWIB and the MD Center for Cluster-Based Approach will provide training and assist in keeping the process on track. They will also help locate and coordinate data, work with the Steering Committee staff on meeting logistics, support sub committees should they develop, and assist with coordinating the Summit.

A full-time coordinator will be necessary to make the cluster-based approach successful for the long term. The Summit will produce at least eight or more significant projects that will have to be implemented. This will take at least a year and require constant attention. Our experience with the Healthcare Initiative teaches us that a good coordinator could cost from \$50,000 to \$75,000. A better approach may be a loaned manager or executive from the industry as a developmental assignment.

The Steering Committee meetings, the Monograph and the Summit may cost a \$50,000 to \$75,000 depending on graphic design, printing, professional writing, the location of the Summit, and possibly speaker's fees.

The MD Center for Cluster-Based Approach will provide some limited staff and financial support. The Chair of the Steering Committee should develop a Resource Development plan. Typically, financial support can be gathered from individual companies participating in the process, industry associations, community and corporate foundations and possibly State and Federal government.

A permanent Center for Workforce Development will require a business plan. A business plan for a non-profit will include the customer and market, the services and programs as well as the strategy for Resource Development.

A Center for Workforce Development can be funded from several sources but the primary core funding should come from the industry itself. Many such Centers have a structure membership scale reflecting the size of the business member as its core-funding source. Beyond that, business members pay for specific services that are either customized for the specific company or provided as a consortium to reduce individual members cost and gain the economies of scale.

An institutionalized Center for Workforce Development should have the capacity to continuously monitor for government grant opportunities as well as engaging community foundations in strategies to reach hard to serve populations.

There are many Centers for Workforce Development around the country in many types of industries. Benchmarking these other Centers and building on the success of the Cluster-Based Approach can provide a framework and direction for the Center of your industry.

Details on creating a Resource Development Plan are in the [Cluster-Based Approach Process Guide](#).

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