

**DEPARTMENT OF WORKFORCE SERVICES  
ISSUANCE NUMBER PY 16-10**

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**TO:** Local Workforce Development Board Chairs  
Local Workforce Development Board Directors  
Local Workforce Development Board Members  
Local Elected Officials

**SUBJECT:** Guidance for Implementation of Sector Strategies under the Workforce Innovation and Opportunity Act (WIOA)

**I. Purpose:** The purpose of this workforce system guidance is to provide instructions to local workforce development boards (LWDB) and the state regarding the use of a sector strategies approach. Local workforce development board directors are expected to share this guidance with their respective board chairs and local elected officials.

**II. General Information:** The publicly funded workforce system envisioned by the Workforce Innovation and Opportunity Act (WIOA) is quality-focused, employer-driven, customer-centered, and tailored to meet the needs of regional economies. In collaboration with partners, it aligns workforce development, education, and economic development programs and resources with regional economic development strategies to meet the needs of local and regional employers and provide comprehensive, accessible and high-quality career opportunities for job seekers and workers. Achieving this vision for the workforce system depends upon the development and implementation of industry sector strategies. This is a new requirement for local workforce boards.

**III. Action Required:** Local workforce boards shall engage in employer-led sector strategy planning. The following pages describe best practice characteristics of sector strategies that shall be included in the strategies developed by each local board. Further, the role of the state and the local board is defined and shall guide the work at each level of the system.

- A. Definition of 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, several national initiatives and federal laws (including the Workforce Innovation and Opportunity Act) are driving workforce organizations to embrace these approaches to meet both the needs of workers and the needs of the economy.



Best practice sector strategies are:

- Driven by High-Quality Data – Demographic and economic data should be regularly reviewed by workforce development, economic development and education partners to understand the economy and the workforce of the region.
- Founded on a Regional Vision – Workforce development, economic development and education partners should be aligned on a common talent pipeline development vision.
- Directed by Industry – Data alone is not sufficient to guide the development of sector strategies. Employers in target sectors must drive strategy development.
- Lead to Strategic Alignment – Strategic plans, policy, and resource investment decisions of all partners should be coordinated and aligned to shared strategic priorities.
- Transform How Services (jobseeker/worker and employer) are Delivered – Customer engagement, service planning and delivery, and service delivery staffing and organization for individual and business customers should reflect a focus on and familiarity with targeted industry sectors, with well-trained service partners aligned around shared strategies.
- Measured, Improved, and Sustained – Outcomes for employers and jobseekers/workers and systems change outcomes (i.e., better alignment and investment of resources) should be regularly measured; and, strategies should be adjusted as necessary to ensure continuous improvement. Sustainability should be a focus from the outset to ensure the long-term leveraging of funding and other resources from diverse sources.

**B. The State’s Role in Supporting Sector Strategies.** The State’s role shall be to set the right conditions — through public policy for a one time funding grant award, local capacity building, and other areas — so that sector strategies and sector partnerships thrive. Ways in which the state does this is by:

- Creating a **shared vision**, across key agencies, of sector strategies that focuses on serving and positively impacting the state’s economy, its employers, and job seekers and workers
- **Providing rigorous labor market data and effective tools** to help local and regional sector partnerships make informed decisions about education and training investments
- **Providing technical assistance** to local and regional areas to expand their capacity to build quality sector partnerships
- **Promoting** the value of sector partnerships and actively recruiting industry champions to participate

- Ensuring that the necessary **policies** are in place that help establish, sustain, and/or scale local sector partnerships
- Measuring and promoting sector strategy success

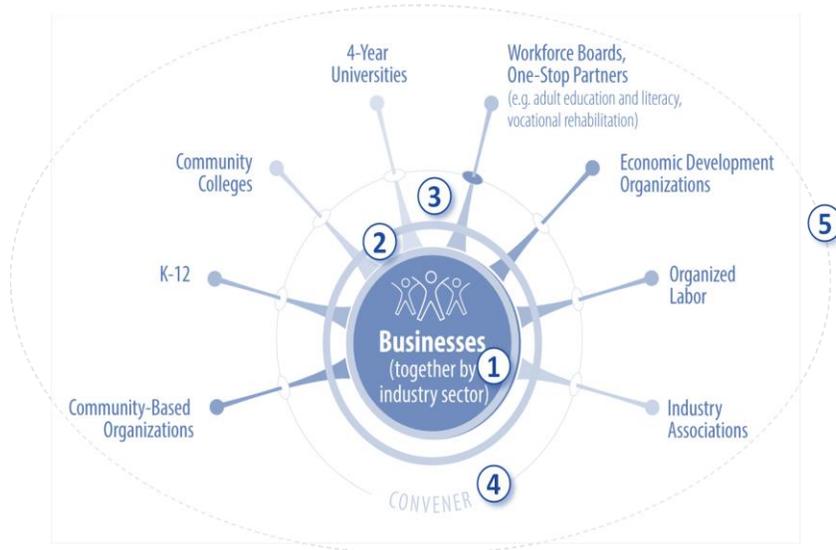
ADWS will inform the Governor’s Workforce Cabinet about sector strategies and will seek their leadership in leading cross agency cooperation to implement sector strategies, including aligning business services strategies across agencies.

**C. Roles of the Local Workforce Board.** While all planning and decisions should be employer-driven, Local Workforce Boards shall play one or more roles in development and implementation of sector strategies:

- Intermediaries/conveners: Convene employers and stakeholders, coordinate fundraising, lead change process, serve as champions
- Fiscal agents: Manage funding streams and pursue grants and other resources, align and braid resources, coordinate regular asset-mapping to support sector work
- Service delivery leaders: Provide direction and support to ensure that workforce center service delivery for business and individual customers is aligned to sector-driven goals and priorities
- Service broker: Connect local and regional partners to coordinate and broker supporting services offered by economic development organizations, community-based organizations, and other service providers
- Data and information providers: Provide labor market information, workforce trend data, and other sources of intelligence to support data-driven decision making and sustain and improve sector strategies over time
- Supportive partner: Provide logistical and coordinating support, convening space, and staff support to develop the work of the sector partnership

It is critical that government entities, training providers, local chambers and other stakeholders are engaged and that LWDBs lead cross-agency cooperation to implement sector strategies, including aligning business services strategies across agencies.

**D. Formation and Structure of Sector Partnerships.** Local workforce boards shall form sector partnerships for their target industry sectors as part of their sector strategy approach. Sector partnerships (sometimes referred to as industry partnerships, workforce collaboratives or regional skills alliances, among other terms) are the foundation of a sector strategy approach. These partnerships are led by businesses—within a critical industry cluster—working collaboratively with workforce areas, education and training, economic development, labor, and community organizations. Sector partnerships are the vehicles through which industry members voice their critical human resource needs and where customized regional solutions for workers and businesses are formed. Planning and decisions within the sector partnership are employer-driven.



Sector partnerships should:

1. **Put businesses at the middle** of the conversation, brought together by industry sectors and regions. At this level, partners discover pressing and often broader workforce challenges from businesses, which are driving the conversation.
2. **Treat businesses as partners**, no longer just the end customer. In this model, community partners work with businesses to build customized solutions, rather than provide off-the-shelf program-based solutions.
3. **Align partners.** Sector partnerships are driven by solutions; solutions that, more often than not, require multiple partners collaborating and leveraging programs and funding.
4. **Have a credible third party “convener.”** This entity could be a local workforce development area or another organization – whomever has the most trust and credibility with the target industry. The convener acts as a neutral body, serving as the liaison to industry, guiding the partnership, and aligning partners.
5. **Be convened on a regional scale.** Because labor markets and industry clusters cross county and service area lines, so too must sector partnerships.

Sector partnerships may be categorized as active, emerging, or exploring as defined below:

#### Active

- Has a clear coordinator, convener, or convening team;
- Is led by industry as demonstrated by private sector members playing leadership roles;
- Has broad industry engagement as demonstrated by industry members attending meetings, partnering on activities, providing in-kind or financial resources, or similar;
- Includes critical and engaged partners across programs from workforce development;
- Can demonstrate that the partnership is not “just a workforce thing,” “just an economic development thing,” or “just an education thing.”
- Operates in a true labor market region, not within the confines of a workforce area or other geopolitical boundaries;
- Operates under some kind of shared strategic plan, road map, etc.;
- Can demonstrate clearly identified priorities and an action plan, be able to demonstrate recent or current activities, services or products that are a direct outcome of the partnership.

### Emerging

- Has at least an interim coordinator, convener, or convening team;
- Has engaged at least one private sector champion to help drive the launch and implementation of a sector partnership;
- Includes individuals from workforce development, education, economic development and other programs or organizations in strategic partner roles;
- Actively working to implement strategic priorities outlined in a launch meeting.

### Exploring

- Is in the infancy stage, but actively considering or planning the preparation needed to launch a partnership;
- Working to identify partners who would be involved;
- Determining if the partnership really makes sense for the community.

- E. Framework for Planning Regionally and Implementing Sector Strategies.** The planning process outlined here shall be used by local workforce development boards to maximize resources and operate more collaboratively.



1. **GATHER DATA TO DESCRIBE THE REGIONAL ECONOMY** – Establish data benchmarks and gather other information that fully describe the economic and workforce development assets and needs of the region including:
  - Economic conditions, including existing and emerging in-demand industry sectors and occupations;
  - Knowledge and skills needed to meet regional employer needs, emphasizing employer needs in in-demand industry sectors and occupations; and
  - An analysis of the regional workforce, including current labor force employment and unemployment data, information on labor market trends, and educational and skill levels of the workforce, including individuals with barriers to employment.

2. **FORM REGIONAL PLANNING TEAM** -A regional planning team that represents all workforce, education and economic development partners should be convened to guide sector strategy development. This team should be responsible for designing and ultimately implementing strategies and guiding the workforce transformation effort. In addition to Economic Development and Education (K-12, Adult Ed, community colleges and four-year institutions) and other required partners, there should also be business representation. For those regions where sector approaches are already a reality, those representatives should of course be recruited from the targeted industry sectors.
  
3. **FORM A SHARED VISION FOR THE WORKFORCE SYSTEM** – The regional planning team should be able to envision how the Talent Development system will look, act, and fulfill its role of providing a talent pipeline in the regional economy. The vision should be future-focused, inclusive, exploratory and holistic, and action-oriented and should consist of the following elements:
  - The needs of business and workers drive workforce solutions;
  - Arkansas Workforce Centers provide excellent customer service to jobseekers and employers and focus on continuous improvement; and
  - The workforce system supports strong regional economies and plays an active role in community and workforce development.
  
4. **ASSESS TALENT NEEDS AND COMPLETE STRENGTHS WEAKNESS OPPORTUNITIES THREATS (SWOT) ANALYSIS** - One of the regional planning team’s key tasks is to conduct a comprehensive SWOT analysis—an assessment of the region’s strengths, weaknesses, opportunities, and threats—in order to provide additional information to feed development of the vision for the regional workforce system’s future. A SWOT analysis is used to identify the internal and external factors either favorable or unfavorable, to transforming the workforce system. Inputs to the analysis should include the critical regional data developed in Step #1 and, at least as important, the on-the-ground knowledge, information, understanding and guidance provided by the regional partners who constitute the planning team.

The SWOT analysis essentially creates a picture of the region in terms of positive and negative attributes and trends in the context of the content of the vision. The analysis is then used to guide development of the strategies to be used to achieve the vision (Step #5), and ultimately the formulation and prioritization of implementation action items in Step #6.

5. **DEVELOP STRATEGIES AND ALIGN RESOURCES** – The nature and extent of the strategies created will be a product of where the region finds itself in relation to the vision, the content of the SWOT analysis and how determined and ambitious regional leaders are in approaching the vision. In order to develop—and successfully implement—a plan for regional workforce system transformation, partners must craft strong and well-articulated strategies and related goals.

Strategies should be:

- Transformational in nature – They should focus on outcomes and will alter the way workforce-related organizations work. Vertical integration – boardroom to mailroom – as well as horizontal integration – across and among partners - should be reflected in the work activities and in how organizations collaborate toward achieving them.

- Aligned to the regional future vision – They should demonstrate that planned activities have a reasonable chance of advancing the regional economy and workforce in the direction of the team’s future vision.
- Demonstrate aligned and leveraged resources – While not all regional resources are known at the time that the plan is written, as all costs will not have been specifically identified – the regional plan should demonstrate that stakeholder organizations are committing their individual resources toward a common vision, and that outside resources are being sought and aligned to leverage the budgets of key stakeholder organizations, in particular, workforce education and training programs.
- Comprehensive - From the identification of targeted industry clusters, to the alignment of workforce and educational resources around talent development to support those industries, through to the issue of sustainability and governance over time, the plan should demonstrate a thoughtful and comprehensive approach to meeting objectives.
- Offer enough information to introduce accountability for implementing strategies and achieving goals – The plan should demonstrate enough specificity to allow the team to measure its success over time, and to course-correct as needed to achieve the regional vision. Goal statements should show who will be responsible for a stated outcome and include a timeline for each task’s completion.

Specifically, strategies which expand apprenticeship opportunities in non-traditional industry areas (e.g., information technology, advanced manufacturing, health care, etc.) should be considered by local workforce development boards, employers and training providers.

6. **IMPLEMENT, ASSESS, ADJUST AND SUSTAIN.** As sector partners move from planning to implementation of strategies, it is critical to identify key measures that will be assessed to gauge impact and results and drive continuous improvement efforts. These should include business defined measures, such as increased skill levels of applicants, reduced turnover, and increased productivity and related cost savings. With regard to job seekers and workers, measures beyond those mandated by funding streams are important: not just job placement or short-term retention, but placement and retention in jobs related to training provided, as well as longer-term career progression outcomes. Measuring customers’ perspectives on service accessibility, value, and results is similarly important to driving continuous improvement. Review of sector strategy impacts on industry growth and workforce skill attainment over time are critical assessments.

- F. **Strategies for Sustaining Sector Strategies.** Sustaining sector strategies hinges on aligning and investing existing funding to support this work, securing additional resources to support the work, and ensuring that partners are contributing staff, expertise, and other non-financial support long-term.

Building sustainability and scale requires attention from the outset. Embedding sector strategies as a “way of doing business” and a driver of strategic and service planning and delivery ensures that partners are not reliant upon a single source of funding to continue their efforts, and that efforts and investments are integrated to support long-term success.

**G. Employer-Led Sector Strategy Planning.** Local workforce boards shall engage in employer-led sector strategy planning as outlined in this policy. Local workforce boards shall articulate their employer-led sector strategy planning efforts through the development of a work plan which identifies the roles and responsibilities of the board and its partners and timelines for implementation.

Sector strategy planning is an ongoing effort and should not be viewed as a one-time activity to meet immediate WIOA local planning efforts. The sector strategy work plan is a living document and should be referenced and updated regularly by the local workforce development board to meet the changing workforce development needs in a regional economy.

**IV. Related Resources:** Additional tools and resources are available on the Employment & Training Administration's Community of Practice website ([workforcegps.org](http://workforcegps.org)) at <https://businessengagement.workforcegps.org/resources/2016/08/16/15/22/Sector-Strategies-Resources> . Specific resources that may be useful include:

- Deeper Dive into Demand-Side Data: Identifying Target Sectors
- Industry Engagement: An Overview
- How to Ensure the Sustainability of a Successful Sector Strategy: An Overview
- Deeper Dive into Supply-Side Data: Identifying Occupations & Skill Sets Aligned to Target Industries

**V. Inquiries:** Any and all questions or concerns are welcome and may be submitted to the following email: [wioa@arkansas.gov](mailto:wioa@arkansas.gov)

**VI. Expiration Date:** Ongoing