TALENT PIPELINE MANAGEMENT ACADEMY

Strategy 1: Organize Employer Collaboratives
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Introduction

States and communities across the country are organizing public-private partnerships to engage employers in addressing critical workforce needs. Many of these efforts have been launched by elected officials, government agencies, employer organizations, and education institutions. In recent years, there is a growing consensus that these initiatives must be demand-driven—focused on skilled jobs where there are, or will be, significant job openings with high earning potential.

However, even demand-driven initiatives vary widely in their level of employer engagement and the roles employers play when they are involved. As a result, demand-driven does not always equal employer-led. Talent Pipeline Management (TPM) is an employer-led approach that organizes the business community into employer collaboratives to address its most critical workforce needs using talent supply chain strategies and practices.

Strategy 1 addresses how you will plan and implement an employer collaborative. It starts by making clear why employer collaboratives are a different approach in building demand-driven public-private partnerships. Next, it addresses how to identify the most promising opportunities for establishing these collaboratives and how to explore options in organizing and managing them. It concludes by addressing how to engage employers and key stakeholders in starting your first collaborative.

Strategy 1 Learning Objectives

1. Identify the key features and benefits of employer collaboratives and how they are different from other approaches.
2. Explain how to determine the focus of an employer collaborative.
3. Explain the options in organizing and financing an employer collaborative and how to get started.
4. Explain how to engage employers and key stakeholders in establishing an employer collaborative.
Key TPM Terms and Definitions

**Demand Driven:** A focus on skilled jobs that are in demand or where there will be significant job openings with high earnings potential, based on labor market information.

**Employer Collaborative:** A partnership organized by employers, for employers to collectively address shared workforce needs. The collaborative is bolstered by management support provided through a new or existing employer-led organization of the collaborative members’ choice. Employer collaboratives are different from most public-private partnerships in that they are organized and managed to maximize responsiveness to employers as end-customers and to deliver an employer return on investment.

**Talent:** Individuals who have the skills and credentials that drive competitive advantage within a company and industry.

**Talent Supply Chain:** An end-to-end talent management process made up of employers as “end-customers” and education and workforce partners as “providers,” with each playing key roles in adding value in the development of talent.

**End-Customer:** The leadership role an employer plays in a talent supply chain. As the end-use customer of talent, the employer determines the hiring requirements and makes the decision on whether to hire talent based on these requirements.

**Shared Pain Point:** Shared talent sourcing problems (e.g., hiring, on-boarding, retaining) for one or more business functions and occupations within or across industries and within a geographic area that provides the starting point in defining the focus of an employer collaborative.

**Provider:** The role education and workforce partners play in providing education and training services designed to deliver talent for employer end-customers in a talent supply chain.

**Host Organization:** The organization that “houses” and provides the staff and management support for one or more employer collaboratives. Host organizations are different from traditional intermediaries in that they are business member organizations (e.g., chambers of commerce, industry sector-based associations) or economic development organizations dedicated to business growth and competitiveness and are chosen by the employer members to manage and staff employer collaboratives.
**Business Function:** The type of business or economic activity that is critical in making products and/or providing services at one or more establishments. It may or may not be defined as a primary activity for purposes of North American Industry Classification System (NAICS) coding of business establishments, and it may be carried out by one or more occupations. Examples include logistics planning, warehousing, machining, engineering, and nursing.

**Establishment:** A single physical location, though administratively distinct operations at a single location may be treated as distinct establishments. Establishments carry out business or economic activities as typically defined under NAICS. More detailed examples include industrial machinery manufacturing, computer systems design and related services, and general medical and surgical hospitals.

**Occupation:** The type of job or job family that is typically used to classify workers into occupational categories based on the Standard Occupational Classification system (commonly referred to as SOC code) or another classification system. Employers use a variety of job titles that can be crosswalked to one or more occupations. Examples include registered nurse, machinist, and engineer.

**Industry:** The type of “primary” business or economic activity carried out in a business establishment as typically defined under NAICS. Examples of major industry categories include manufacturing, health care, and information technology.

**Secondary Labor Market Information (Secondary LMI):** Information and analysis about the level of workforce demand by industry generated through reviewing labor market information reports (e.g., state occupational projections) or through aggregating job posting data (e.g., real-time LMI).

**Primary Labor Market Information (Primary LMI):** Labor market information provided directly by employers and other participants in labor markets (e.g., workers). TPM uses primary labor market information from employers in a collaborative regarding their level of workforce demand by establishment.

**Value Proposition:** The unique value that is created by employers working together through a collaborative to advance their interest and accomplish their goals, including achieving a return on investment.

**Shared Value:** The value that is created for employers, education, and workforce partners and the students and workers they serve—as well as society in general—when employers play an expanded leadership role as end-customers of talent supply chains.
Unit 1.1: Employer Collaboratives – Why They Are Needed and What Makes Them Different

State and local demand-driven approaches place a high priority on engaging employers in public-private partnerships to address workforce needs. Many of these public-private partnerships “bring employers to the table” in an advisory role along with other partners. These partnerships are usually managed by neutral intermediary organizations rather than organizations chosen by employers. Employers participate in these partnerships for many reasons. Some hope to improve access to qualified talent whereas, others do it as corporate citizens hoping to help their communities.

In contrast, employer collaboratives are organized by employers, for employers to address a core business need in sourcing talent and are financed in part by employers themselves. Rather than employers coming to the table as one of many stakeholders, they instead come to the table as end-customers ready to manage a talent supply chain. In other words, employer collaboratives help employer members play an expanded leadership role in education and workforce partnerships.

What Employer Collaboratives Do

Employer collaboratives play a critical role for employers and the larger public-private partnerships that they engage. Employer collaboratives:

- **Communicate Demand**: Communicate shared needs that are most critical to their competitiveness and growth by conducting Demand Planning (Strategy 2) and Communicating Competency and Credentialing Requirements (Strategy 3); and
- **Manage Talent Supply Chains**: Map and organize talent supply chains (Strategy 4) and manage associated performance measures (Strategy 5) that encourage action and drive continuous improvement (Strategy 6).
Why Are They Needed?

Why are employer collaboratives needed for employers and the demand-driven public-private partnerships? Collaboratives benefit employers because employer members can accomplish more by working together than working alone in addressing their workforce needs:

- **Focus On Most Critical Needs and Pain Points**: Collaboratives can focus on employers’ most pressing shared needs that are important to their competitiveness—called shared pain points—including critical business functions and jobs and specific sourcing problems such as recruitment of new hires, onboarding, and retention.

- **Stronger Brand Recognition**: They can improve their individual business’s visibility to providers, prospective workers, and students regardless of employer size.

- **Clearer Communication**: Employers can “speak in one voice” and better communicate their job projections and talent needs—including competency and credential requirements—with trusted provider partners.

- **Shared Expertise**: Employers can learn and improve together as peers to better engage in talent supply chain practices and utilize shared collaborative staff time dedicated to addressing the most critical shared needs.

- **Improved Leverage for Getting Results**: They are better equipped to use shared collaborative staff and engage with providers and public partners about how to address their shared needs and receive a return on their investments.

- **Added Value for Small Employers**: Small employers commonly do not have the internal resources or leverage to get the same results as larger employers. Collaboratives provide the needed capacity and leverage to get similar results.

For demand-driven public-private partnerships, collaboratives are needed because they:

- **Determine Demand**: Collaboratives provide a systematic approach and process for determining the most critical jobs and competency, credentialing, and other hiring requirements.

- **Engage Employers**: Collaboratives solve the most common problem of employer engagement because:
  - Employers themselves make the decision to organize and participate in a collaborative to meet their most critical workforce needs;
  - Employers have major “skin in the game” to stay engaged because they are the primary funders of the collaborative; and
  - Employers choose the organization that will convene them—called the host organization—and they have decision-making authority to ensure there is sufficient return on investment.
Why Are They Different?

There are distinctions and benefits of employer collaboratives compared to public-private partnerships. See Table 1.1: Comparing Public-Private Partnerships with Employer Collaboratives.

Table 1.1: Comparing Public-Private Partnerships with Employer Collaboratives

<table>
<thead>
<tr>
<th>Feature</th>
<th>Public-Private Partnerships</th>
<th>Employer Collaboratives</th>
<th>Benefits of Employer Collaboratives</th>
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</thead>
</table>
| **Employer Objectives** | -Corporate social responsibility  
-Corporate citizenship  
-Address skill needs | -Address skill needs  
Employer Collaboratives provide for more meaningful employer engagement and focus on solving member talent needs | **Employer Collaboratives** |
| **Members**       | -Businesses  
-Business and industry associations  
-Labor unions  
-Education  
-Government  
-Nonprofit organizations | -Businesses  
-Business and industry associations | Employer members can speak more openly about their needs and which providers can best address their needs |
| **Governance**    | -Multi-stakeholder board with business representation, but playing a largely advisory role | -Business member board or committee making all strategic decisions | Employers control key decision-making within the collaborative |
| **Functions**     | -Strategic planning  
-Labor market research  
-Advocacy  
-Develop and manage public-private initiatives | -Determine critical shared workforce needs  
-Jointly communicate hiring needs and requirements  
-Broker workforce solutions with providers  
-Measure performance and give incentives to providers | Employers can focus only on those "value-adding" activities that directly address their talent needs and solve their talent shortages |
| **Finance**       | -Government grants  
-Foundation grants  
-Business donations  
-Shared and leveraged public funding | -Business member dues  
-Business donations  
-Seed funding from government, foundations, and business associations | Employer members have "skin in the game" and will focus on those activities that provide a return on investments |
| **Management Support** | -Government agency  
-Neutral third-party intermediary | -Business-led organizations chosen by collaborative members | Staff works for and is directly responsive to employer members |
Exercise 1: Vermilion Advantage Case Study

In 2002, the Vermilion County Economic Development Corp. and the Danville Chamber of Commerce merged into Vermilion Advantage—an employer-led, membership-based nonprofit organization. The mission of Vermilion Advantage is to “serve as a partner in growth and enhancement of the general welfare, prosperity and overall economy of Vermilion County, its people, and business.” Vermilion County is located in East Central Illinois along the Illinois/Indiana border. Danville is the county seat.

Vermilion Advantage was established during a time of growing concerns about economic development, the need for a competitive workforce, and the failure of previous efforts to address this need. In advancing its workforce agenda, Vermilion Advantage started a manufacturing employer network to address the needs of manufacturers who were expressing the most concerns about a competitive workforce. After the success of this working group, Vermilion Advantage created four employer networks very similar in function to employer collaboratives in (1) manufacturing, (2) logistics, (3) health care, and (4) technology and services. Employers can join one or more of these networks based on what critical business functions they carry out within the county.

In joining one or more of these employer collaboratives, employers pay a membership fee to cover the staff time required to support the core activities of the collaborative, including an annual demand-planning survey for projecting job openings, which is shared with providers in the community to improve responsiveness to employer needs. Members agree to complete the demand planning survey and actively support the collaborative in carrying out collaborative initiatives. Members can make additional donations of time and resources to support these initiatives. These employer collaboratives are supported by staff provided by Vermilion Advantage.

After reviewing the Vermilion Advantage case study, discuss the following:

1. What are key features that make Vermilion Advantage an example of an employer collaborative?

2. Identify at least one existing public-private partnership in your community and describe how it is organized and the role employers are asked to play. Using Table 1.1 on page 8, explain the differences and similarities between how an employer collaborative and these existing public-private partnerships are organized and financed.
Unit 1.2: Determining the Focus of a Collaborative

Now that you understand what employer collaboratives are, why they are different from public-private partnerships, and the potential value they can provide employers in your community, we will start to develop an action plan for organizing or enhancing an employer collaborative.

One of the first steps in organizing an employer collaborative is defining an area of focus. The focus of the collaborative should be: (1) a shared pain point on which its members' competitiveness depends and (2) where employer members have the capacity and willingness to address it.

A shared pain point is where employers cannot successfully find, hire, train, and retain sufficient numbers of people to carry out the most critical work in their companies. These are often areas where companies have reached the limits of poaching and there simply is not enough talent to meet every company's needs.

Other examples of pain points include employers working alone who do not have the leverage to increase their talent pool in the time necessary to meet their needs. In addition, pain points are illustrated when it makes sense for employers to come together around a solution within a geographic area, where their employees filling these jobs live, and the major sources of their current and future talent.

Critical Dimensions of Shared Pain Points.

The focus area or shared pain point has three critical dimensions:

1. **Critical Business Functions and Jobs.** Employers can define their pain points in many ways, such as in terms of business functions inside their companies (e.g., warehousing, nursing, precision machining, welding, customer service) and/or by specific job titles and occupational categories (e.g., machinist, registered nurse). In some cases, these business functions and occupations are within one major industry. In other cases, they are spread across multiple industries, as is the case in information technology jobs (e.g., software development, network administration).

2. **Talent Management Challenges.** Employers can experience many different types of pain in finding, hiring, training, and retaining workers for these critical business functions and jobs. These challenges can be expressed in many different ways, such as:
   - Unfilled Job Openings: Employers are not able to fill critical job openings with qualified talent in the time frames needed to meet business needs.
• Onboarding and Upgrading Costs: Employers have to increase spending to onboard recent hires and upgrade existing workers.

• Turnover and Retention: Employers are not able to retain workers who are leaving the industry. Talent management challenges provide the basis for determining employer return on investment (ROI). This is critical in maintaining employer investments in collaboratives (See Unit 1.3) and improving talent pipeline performance (Strategies 5 and 6).

3. Geographic Area for Sourcing Talent. Finally, employers can search for talent within different geographic areas where they have had the most success in finding and retaining their talent for these critical business functions and positions. For example, the geographic areas for finding machinists may be different than those for engineers, and some larger companies might have larger geographic areas for recruiting than smaller companies.

Baseline Analysis on Potential Focus Areas

To identify a focus for your collaborative, you can start by compiling information from two major types of sources: (1) strategic plans and studies that analyze secondary labor market information derived from a variety of public and private sources, including government projections; and (2) employer demand planning surveys, interviews, and other primary labor market information sources collected directly from employers.

The most powerful and important information for determining priorities comes directly from employers because it provides the most direct and trustworthy information. When using strategic plans and studies based on secondary labor market information, it is necessary to confirm this information with a representative sample of employers, especially employers that may be called on to take leadership roles in establishing a collaborative.

When reviewing reports or talking directly to employers as you consider your focus area, it is important to answer the following questions:

• Which business functions or capabilities are most critical for business success?
• Which positions drive those capabilities and carry out the most critical work?
• Do vacancies in these positions significantly impact the success of your business?
• Do these jobs require prior training and credentials that would take significant time to get?
• Do these jobs provide strong career opportunities that should attract qualified applicants?
• Are these positions hard to fill or is competition for these positions significant?
• Will these positions experience significant changes in skill requirements in the near future?
• Is there a need to tap into new sources for these positions (e.g., increase diversity)?
• Can we source the needed talent from the geographic area we have normally used?
• Do we need to expand the geographic reach of our talent sourcing efforts?

Evaluating Employer Capacity and Willingness to Work Together

Another part of the work in defining possible focus areas for employer collaboratives is determining whether employers have the capacity or willingness to address these shared pain points within the geographic area needed.

The following are important considerations when organizing a collaborative:

1. Employer leadership and engagement in existing partnerships and initiatives;
2. The presence of one or more business champions that can bring employers together;
3. Business and industry associations or economic development organizations that have a proven capacity and track record when it comes to engaging employers; and
4. The ability for business and industry association and economic development organizations to work together at the geographic level needed to address employer needs. For example, can local organizations work at the regional level that best addresses the recruiting market for critical positions?

See Table 1.2: Example Chart for Determining the Focus of a Collaborative (page 13) for a complete baseline analysis table that is designed to help host organizations prioritize where to launch employer collaboratives.
Table 1.2: Example Chart for Determining the Focus of a Collaborative

<table>
<thead>
<tr>
<th>Business Functions</th>
<th>Key Industries/Industry Sectors</th>
<th>Critical Positions</th>
<th>Geographic Area</th>
<th>Data Sources</th>
<th>Shared Need: High (H) Moderate (M) Low (L)</th>
<th>Capacity/Willingness: High (H) Moderate (M) Low (L)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machining</td>
<td>Manufacturing</td>
<td>-Machinist -CNC operator</td>
<td>-Region -County</td>
<td>-Survey -Interviews</td>
<td>H</td>
<td>M</td>
</tr>
<tr>
<td>Nursing</td>
<td>Health care</td>
<td>-Registered Nurse -Nurse Practitioner</td>
<td>-Region</td>
<td>-Survey -Gov't projections</td>
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<tr>
<td>Logistics</td>
<td>Manufacturing Transportation</td>
<td>-Logistics manager</td>
<td>-City</td>
<td>-Gov't projections</td>
<td>H</td>
<td>H</td>
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<tr>
<td>Network Administration</td>
<td>All industries</td>
<td>-Network Administrator</td>
<td>-State -Region</td>
<td>-Survey</td>
<td>M</td>
<td>M</td>
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Exercise 2: Determining the Focus of a Collaborative Case Study

A manufacturing collaborative—similar to the one formed under Vermilion Advantage—has come together to address its critical workforce needs in a new way. However, the collaborative must start by determining its focus.

After bringing its members together, the collaborative determined that machining, engineering, and welding were all critical to its competitiveness and were all areas where existing shortages were causing problems. Some of the jobs the members stressed included CNC machinists, mechanical engineers, and welders. About half of the collaborative members also highlighted warehousing and maintenance as areas of importance, but the former was seen as temporary and easy to address given existing job applicants, and the latter was seen as not critical today, but could be in the near future. They all agreed that most of their employees for these jobs lived within the three-county region and that is where most received their training and work experience.

Having a number of potential places to begin, the collaborative next focused on prioritizing where to start based on capacity and willingness of members to engage on a project. To do this, members discussed their history and experience engaging in education and workforce efforts. Several members of the collaborative were previously brought together under a grant led by a neutral convener to build a pipeline of machinists and welders. While a few of the employers benefited from the increased supply of welders who ended up applying for jobs with them, most of the companies struggled to see the value of participating and were unable to attend most meetings. Many of them indicated they would not like to revisit that experience, unless it was organized differently and would benefit more companies. As for the effort to build a pipeline of machinists, the few employers who served on an advisory group could not come to agreement on the specific competency and credentialing requirements to be addressed, resulting in many of them disengaging early in the process, with little interest in continuing the discussion.

Having reviewed their history, several collaborative members brought up a new labor market report that highlighted impending retirements of engineers and industrial maintenance workers. None of the members of the collaborative had prior experience working with education and workforce partners on these occupations, but the concern among members was obvious and they hoped the collaborative could help address it.

SEE NEXT PAGE FOR EXERCISE QUESTIONS
After reviewing the case study, discuss the following:

1. Identify at least two business functions addressed by the manufacturing collaborative and complete as much of the baseline analysis table below as you can. What additional information do you need from employers to complete the table?

<table>
<thead>
<tr>
<th>Business Functions</th>
<th>Primary Industries</th>
<th>Critical Jobs</th>
<th>Geographic Area</th>
<th>Shared Need: High (H) Moderate (M) Low (L)</th>
<th>Capacity/Willingness: High (H) Moderate (M) Low (L)</th>
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2. Identify one or more employer engagement efforts in your community that is attempting to address a workforce need. For that initiative, complete the baseline analysis table below. Present your findings to your group and identify how you can address any information gaps.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Business Functions</th>
<th>Primary Industries</th>
<th>Critical Jobs</th>
<th>Geographic Area</th>
<th>Shared Need: High (H) Moderate (M) Low (L)</th>
<th>Capacity/Willingness: High (H) Moderate (M) Low (L)</th>
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Unit 1.3: Organizing and Financing a Collaborative

There are many ways to organize employer collaboratives after the decision has been made about focus areas. These different approaches involve at least four key decisions:

1. Do we start new employer collaboratives or strengthen existing ones?
2. How will we finance the collaborative and provide the necessary employer ROI to ensure sufficient employer investment?
3. How will we provide the necessary management support to make the collaborative successful while ensuring employer leadership and control?
4. Where will we get the seed funding or staffing and other in-kind contributions to get started?

Starting a new collaborative is hard work and runs the same risks of any new business startup. It also is open to criticism that you are “reinventing the wheel” and should build on existing partnerships. But it also has advantages, including activating stronger employer leadership and ownership in closing a skills gap.

Building on existing initiatives also has risks, especially if these initiatives are based on broader stakeholder partnerships in which employers are among many stakeholders and not participating to address their own specific skill needs. Making the decisions to build on existing efforts or start anew requires a careful review of the pros and cons of each approach.

Financing an Employer Collaborative: The Importance of Return on Investment (ROI)

Whether you are starting a new collaborative or building on existing initiatives, the most important decision is the selection of the “pain points” that can provide the most immediate results and returns on employer investments. This provides the basis for short-term and long-term employer financing of collaboratives.

Employer collaboratives are unique in the sense that they are financed at least in part by membership fees and other types of employer contributions. There are many different options for employer financing, including membership dues, contributions for specific initiatives, and foundation donations.

An employer collaborative might require seed funding to get started, which can come from other funding sources, such as government. However, if seed funding is needed from an alternative source, it may influence the degree of employer leadership and commitment, and ultimately control going forward.
Although seed money might be needed to start an employer collaborative, the host organization should focus mainly on employer financing and start from the premise that employers will be the major funders of the collaborative over the years only to the extent that they receive a positive ROI.

As a result, employer collaboratives should be designed so that employer membership dues and other investments should result in equal or greater bottom-line benefits by addressing their most visible and costly pain points, such as:

- **Unfilled Job Openings**: Employers are not able to fill critical job openings with qualified talent in the time frames needed to meet business needs.
- **Onboarding and Upgrading Costs**: Employers have to increase spending to onboard recent hires and upgrade existing workers.
- **Turnover and Retention**: Employers are not able to retain workers who are leaving the industry or the region.

This will require a discussion with employers and human resource professionals on how best to calculate the costs that employers incur from these pain points. Many of these costs will be rough estimates that employers decide are reasonable based on industry benchmarks or their own experiences. In almost all cases, even rough estimates will show that collaborative membership dues and other investments will have high returns if the collaborative is successful in addressing major pain points.

For example, a group of manufacturers that have agreed to work together in a collaborative may try to calculate their average cost of filling job vacancies. Based on their industry standard for measuring the cost of a hire and opportunity cost of having a position unfilled, they conclude that on average it costs each company $8,000 to fill a position, including recruitment, onboarding, and training expenses. In addition, they are spending an average $3,000 per position on staffing agency expenses. What is more, the average cost of a position going unfilled for several months is estimated to be around $19,000 in lost productivity. Lastly, each company spends on average $2,500 per position filled in support of career fairs and mentorships with local education programs.

Adding these numbers provides a quantifiable value proposition to companies around addressing a pain point, which in this example comes to $32,500 per hire. This baseline cost can later be used to determine each company’s ROI based on working together in an employer collaborative to manage the talent pipeline. ROI calculations are further covered in Strategy 5 after collaboratives have successfully implemented talent supply chain solutions. Employer collaboratives should emphasize this in explaining their value propositions to employers (see Unit 1.5). And, as addressed further in Strategy 5, employer collaboratives should regularly measure and report ROI in ways that show employers that they are better off working together and that their membership dues, time, and other investments pay off in improved performance on bottom-line measures tied to their agreed-upon pain points.
Managing an Employer Collaborative

Collaboratives can be governed through a variety of board and committee structures. Collaboratives can be established as separate nonprofit organizations or more informal initiatives supported through host organizations (e.g., chambers of commerce) that are chosen by employers in the collaborative. In most cases, employer collaboratives are best started through the support of a host organization that can provide management support services (see Figure 1.1: Example of an Employer Collaborative Structure). Employer collaboratives will then always have the option of changing host organizations or spinning off as independent organizations.

In some cases, employers might want to affiliate with multiple host organizations that regularly convene employers to address specific issues. In these cases, employer collaboratives could choose one as the host organization but define roles for other business and industry associations so that the employer collaborative is sponsored and supported by multiple organizations.

Figure 1.1: Example of an Employer Collaborative Structure
Building on Existing Initiatives: Creating Space for Employer Collaboratives

In many cases, employers will choose host organizations such as chambers of commerce, industry associations, and economic development agencies that already have existing initiatives that involve many stakeholders, including education and training partners such as universities, colleges and workforce agencies. These initiatives many times are based on public-private partnership models that have all stakeholders “at the table” in all meetings and do not provide the opportunity for employers to meet separately in order to set their own priorities and address any issues in working together.

Existing initiatives can provide the needed space for employers to establish a collaborative by forming employer collaborative committees, task forces, or work groups. These employer-only committees provide the space and opportunity for businesses to organize themselves, set priorities and clarify their role within the larger partnership, especially when it comes to providing more granular labor market information that is specific to their company’s needs and demand (see Strategies 2 and 3). They also provide a mechanism for employers to update other stakeholder partners in the larger initiative on their work in implementing talent pipeline solutions (see Strategies 4, 5, and 6).

Creating Sufficient Leverage: Determining the Proper Size of an Employer Collaborative

When exploring the creation of a collaborative, employers and their host organizations will face the question: how many employers should be part of a collaborative to give it the best chance of being successful? There is no simple answer to this question, and a bigger collaborative does not always mean a better collaborative. The collaborative should be as big as it needs to be in order for it to deliver a sufficient value proposition and positive ROI to the employer members.

In general, employers and their host organization should make sure that they have a core set of members that can provide the necessary leverage for education and workforce partners to respond to their shared needs. In some cases, this requires a few “champion” employers that have the visibility and size to create this leverage. In other cases, it requires a larger set of employers that represent the majority of job opportunities within an industry or set of occupations.

The most important decision is involving a set of champion employers that have the ability to establish a collaborative and recruit additional employers over time as needed.
Determining the Geographic Scope of an Employer Collaborative

Employer collaboratives are not necessarily bound by traditional geographic boundaries. The scope of the collaborative is determined by its membership and the geographic area that members use for sourcing talent and engaging with preferred education and workforce providers. A collaborative may choose to confine its membership and activities to a defined area, such as a county. However, many collaboratives start by organizing a collaborative based on the other employer partners they wish to work with. They also may want to define their geographic scope based on the information they collect as part of back mapping their existing talent flows (Strategy 4) and where they plan to source talent from in the future in order to generate a positive ROI (Strategy 5).

Some collaboratives seek to roll their work into a statewide effort, often done with the support of state agencies and other stakeholders. When organized this way, an agreed-upon statewide host organization coordinates the work of multiple collaboratives and subgroups, some sharing similar focus areas (e.g., manufacturing) but with different employer members to account for different regional needs and solutions. This organizational structure allows for collaboratives to combine efforts when needed and share data more easily while retaining their independence when it comes to making decisions about their focus and preferred talent supply chain solutions.
**Exercise 3: How Existing Partnerships Are Organized in Your Community**

Identify one or more initiatives or organizations that have engaged employers in addressing critical skill needs. Identify how each is financed and managed. Also indicate whether the initiative or organization would benefit from starting a new employer collaborative or building on an existing partnership. Include the pros and cons of the approach you indicated and present your analysis to your group.

If you are building on an existing partnership, how will you create the necessary space for an employer collaborative within that partnership?

<table>
<thead>
<tr>
<th>Initiative/Organization</th>
<th>How Is It Financed and Managed?</th>
<th>Start a New Collaborative OR Build on an Existing Partnership?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Unit 1.4: Establishing Your First Collaborative

Whether you are starting your first collaborative as a new initiative or building from an existing one that may be part of a public-private partnership, the selected host organization should provide the necessary staff time with or without seed funding to lay the initial groundwork for your initial collaborative.

This staffing support should be sufficient to:

- Conduct outreach with employers and engage stakeholders; (See Unit 1.5)
- Determine whether employers have sufficient shared need and willingness and capacity to work together;
- Define an initial focus area that could be addressed; and
- Conduct an employer member needs assessment survey (Strategies 2 and 3) and explore how to work together in addressing the findings in cooperation with their chosen partners (Strategies 4, 5, and 6).

Planning the Initial Meetings
After conducting the employer outreach and stakeholder engagement, the first in-person meeting should be organized to do the following:

- Present information on the need for employers to establish a collaborative and the benefits it can provide.
- Share the results of the baseline analysis and discuss implications for defining an initial focus area and geographic reach.
- Agree to an initial focus area/pain points, critical positions, and geographic scope.
- Discuss how the employer collaborative plans to connect with existing initiatives, including public-private partnerships, which members may be part of.
- Address when and how education and training partners will be brought into the process.
- Present the process for conducting the needs assessment survey and how results will be shared.
- Discuss how the collaborative will be staffed and supported by the host organization for an initial startup period while employers decide whether to continue and provide financial support.

This first meeting should be hosted by one of the champion employers or the host organization and should only include employers and staff of the host organization.
This first meeting may be followed up with a conference call to address remaining issues before the second in-person meeting. In preparation for the second meeting, staff from the host organization should ask employers to send to them job descriptions and profiles and recent job postings. Staff should then analyze this information to identify similarities and differences in competency, credentialing, and other hiring requirements for positions in the initial focus area.

The second in-person meeting should be organized to address the following:
- Review the initial focus area/pain point, critical positions, and geographic scope.
- Plan the needs assessment survey to address only projected job openings (Strategy 2) or both projected job openings and hiring requirements (Strategies 2 and 3 combined).

After conducting the needs assessment survey, the third in-person meeting should focus on presenting the results of the survey to the employer collaborative membership and discuss how to share these results with key stakeholders and partners. The members will also need to take stock of how far they have come and make a decision on whether to continue working together to address their shared demand for talent and building a pipeline of provider partners to address that need.
Developing a Host Organization Timeline, Budget, and Staffing Plan

Host organizations should develop a preliminary budget and staffing plan to ensure they have necessary leadership commitment and staff resources to complete this work. While each collaborative must proceed at its own pace, it is important to demonstrate consistent progress to your employer members and to get to a point where you can begin to make talent pipeline decisions and take on your first continuous improvement project (Strategy 6) within the first year.

When launching your first collaborative, we recommend using the following estimates, based on quarters, to set expectations for the time it takes to move through the TPM process:

- Strategy 1: 3 months
- Strategies 2 & 3: 3 months
- Strategy 4: 3 months
- Strategies 5 & 6: 3 months

Once the employer collaborative has gained experience in moving through the process for the first time, they will be able to expedite each stage of the process and reduce the time it takes to update their information and execute each strategy. Host organizations should be able to more easily and quickly launch new collaboratives as they gain experience.

The host organization should also budget for the amount of time a staff member will need to commit in order to facilitate a new collaborative from start to finish. If you are using a percentage of time of an existing staff member, then we recommend no less than 25% of their time be dedicated to the collaborative. Some host organizations choose to create a new full-time position that is dedicated to the TPM process. This provides greater flexibility in working with multiple collaboratives with the added benefit of having a point of contact who can advocate for and expand talent supply chain solutions with other partners, both in and out of state.

Some host organizations find it useful to offset the cost of having a staff member facilitate a collaborative by raising funds from local sources that are interested in providing seed funds for new collaboratives. This can result in having the full cost of a staff member covered for the first year, or it could be a cost sharing arrangement between a philanthropic source and the host organization. The goal is to demonstrate enough value and return on investment within the first year to make the case for collaborative members to sustain the work of the collaborative through membership dues and other types of employer investments.

Figure 1.2 on page 25 is a sample budget for a host organization measured in terms of staff time committed for organizing an employer collaborative and engaging in an initial needs assessment survey (Strategies 2 and 3).
Figure 1.2: Sample Host Organization Staffing Plan for Starting a Collaborative

<table>
<thead>
<tr>
<th>Organizing Activity</th>
<th>Staff Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collaborative Planning and Material Development.</strong> Develop materials for organizing a collaborative with defined focus area/pain point, critical positions, and geographic scope. Develop a list of potential employer members, especially employer champions that could be leaders and hosts of the first meetings, and consult with stakeholders on the proposed approach.</td>
<td>64 hours</td>
</tr>
<tr>
<td><strong>Employer Outreach.</strong> Meet with key employers and present the elevator pitch and gain their support for a planning meeting with other employers to explore a collaborative as part of a new or existing initiative. Ask them to attend the first meeting and consider participating in two additional meetings before making a longer-term decision on moving forward.</td>
<td>120 hours</td>
</tr>
<tr>
<td><strong>First Collaborative Planning Meeting.</strong> Plan and conduct the first meeting on the focus of the collaborative and the critical positions that would be emphasized, as well as a proposal to start the work through a needs assessment survey (Strategy 2 or Strategies 2 and 3).</td>
<td>32 hours</td>
</tr>
<tr>
<td><strong>Second Collaborative Planning Meeting: Needs Assessment Survey.</strong> Plan and conduct the second meeting for the needs assessment survey.</td>
<td>40 hours</td>
</tr>
<tr>
<td><strong>Conduct Needs Assessment Survey.</strong> Develop, pilot-test, and administer the needs assessment survey using online tool and develop presentation materials and reports. Note: Might also involve some printing costs.</td>
<td>80 hours</td>
</tr>
<tr>
<td><strong>Conduct Collaborative Meeting: Needs Assessment Results and Next Steps.</strong> Conduct a follow-up meeting to review survey results and explore next steps.</td>
<td>32 hours</td>
</tr>
</tbody>
</table>
Exercise 4: Planning and Budgeting for Your First Collaborative Meeting

After reviewing the example staffing plan in Figure 1.2 on page 25, discuss the following:

1. What level of commitment do you need to make in order to organize your first two to three employer collaborative meetings? Are the estimated staff days provided in the example realistic? If not, what should they be?

2. What resources and materials do you need to develop for the first meeting? What activities need to be added?

3. Are there any other costs that you anticipate will need to be accounted for? If so, how do you plan for them to be covered?

4. Discuss with your peers how you plan to prepare these materials and share them with your leadership—or the leadership of another host organization—to secure their agreement on moving forward.
Unit 1.5: Developing the Value Proposition for Employer Outreach and Engaging Key Stakeholders

The first step in organizing a collaborative is reaching out to employers to encourage them to host or attend the first meeting to explore a collaborative. During this first step it is also important to engage key stakeholders to brief them about your efforts.

Developing the Employer Value Proposition and Elevator Pitch

In reaching out to employers, you should develop a short three- to five-minute presentation or “elevator pitch” that presents the value proposition to employers and addresses some of their major concerns. Despite the many benefits of employer collaboratives, most employers have never worked together in this way and could have a number of questions or concerns. Three of the most common concerns are the following:

- **Are We Better Off Working Together?** Many employers will worry that other employers, in some cases direct competitors, will benefit more than they will by working together. Some think larger employers will benefit more and that larger employers’ needs are more likely to be catered to because of their size.
- **Will We Be Sharing Proprietary Information?** Many employers will worry that they will have to share proprietary information about their businesses and their critical jobs. They will want to know who they will share this information with and whether they can trust partners to maintain and protect their confidential information.
- **Are There Business Collaboration Risks?** Some employers will want to know whether they can work together under a formal collaborative without any legal risks.

In establishing employer collaboratives, it is important to develop a value proposition for employers that not only addresses these concerns but also:

- *Generates passion and commitment for addressing their major needs or pain points* in ways that will advance their leadership standing and brand among other businesses and their communities; and
- *Conveys how an employer collaborative will help them address these pain points better than working alone*, even if they have different needs than other employers.
Example pain points that were mentioned earlier in this strategy include the following:

- **Unfilled Job Openings**: Employers are not able to fill critical job openings with qualified talent in the time frames needed to meet business needs.
- **Onboarding and Upgrading Costs**: Employers have to increase spending to onboard recent hires and upgrade existing workers.
- **Turnover and Retention**: Employers are not able to retain workers who are leaving the industry or the region.

Your prospective employer members will also identify concerns about forming a collaborative and working with other employers, including their competitors in some cases. The following are examples of common concerns that have been raised by employers going through the TPM process and how to address their concerns:

- **Protect Proprietary Information**: Employer collaboratives protect proprietary information by ensuring that employer members report their information to employer collaborative staff who only share aggregated information with other members so that employer privacy is protected. In particular, a consistent concern relates to the sharing of wage, salary, or benefit information; neither the TPM process nor its associated tools are intended to be used in connection with a survey of this type of data. Stating this upfront with your partners can quell hesitation.
- **Collaborate Effectively**: Employers join forces not only to solve a mutual talent shortage, but also to deliver a public good and better pathway to opportunity for students and workers.

Figure 1.3: Employer Elevator Pitch Template and Sample Language on the following page provides a template for developing your pitch to employers.
Figure 1.3: Employer Elevator Pitch Template and Sample Language

Speak to their pain point first

Employers—like you—in our area continue to express problems in finding qualified workers for jobs that are critical for your company to grow and remain competitive, such as...(nurses, machinists, welders, industrial maintenance technicians, software developers).

Acknowledge they are doing things now with you and others and thank them

I know you and other employers have tried a lot of different ways to address your needs and have partnered in many of our local initiatives. And, you serve on a number of advisory groups. We greatly appreciate the leadership roles you are playing.

Suggest the idea to start a new effort or strengthen the employer role in existing initiative

The USCCF is promoting a new employer-led approach—called Talent Pipeline Management (TPM)—where employers work together more directly to address common workforce needs.

We were selected to participate in a TPM Academy recently and we can use this approach to…. (start a new employer-led initiative to address your needs or strengthen the leadership role of employers in an existing initiative).

Explain potential benefits to employers (what is in it for them)

We think this employer-led approach has clear benefits for you and other employers in our area because you can accomplish more together than alone. In particular, we can:

- Raise the brand and image of your industry;
- Communicate your needs with one voice to all partners in the community; and
- Generate greater leverage in creating a better pipeline that can address the needs of all employers.

Explain what they would have to do to get these benefits

If closing the skills gap is a priority for your company, then we encourage you to work with us on this approach, which will require you and other employers to agree to form an employer collaborative. As an employer collaborative we will:

- Communicate hiring needs for critical positions; and
- Work with other employers, partners, and stakeholders to address these needs.
Engaging Stakeholders

Another important activity in organizing a collaborative is maintaining open communication with key stakeholders, especially education and workforce providers who might not fully understand why they are not included in the employer meetings and how they will be kept engaged in the conversations going forward. Figure 1.4: Talking to Education and Workforce Partners on page 31 provides some ideas on how to talk with education and training partners and communicate the shared value of employers coming together first.
Use the USCCF TPM Initiative to start the conversation

Like others, we have been looking for new ways to get employers engaged in our workforce initiatives. The USCCF is promoting a new employer-led approach—called Talent Pipeline Management (TPM)—where employers work together more directly with partners in addressing employer needs. We can use this approach to … (start a new employer-led initiative to address your needs or strengthen the employer leadership role in an existing initiative).

Directly address why employers need to work together, separately from other partners

The USCCF advises that employers work together as a collaborative and spend time together in separate meetings from education and workforce partners so that employers can get on the same page and play a more effective leadership role.

This is needed because employers are not always willing to speak openly in meetings with education and workforce partners and they also need to get comfortable collaborating, even with competitors. Employers will be better partners to you if they can agree to work together and speak with a common voice about their shared workforce needs.

Emphasize that education and workforce partners will be engaged later

Establishing employer collaboratives is just the first step and starts with employers “doing their homework” together so that they can more clearly communicate their shared talent needs.

Employers need a space to gather and share their information and discuss their talent needs much like education and workforce partners often have separate meetings to discuss their most pressing issues.

Once employers are working together and communicating in a shared voice, we will bring education and workforce partners into the process to jointly develop solutions to meet those needs. For now, the employer collaborative can provide a clear work plan for education and workforce partners that says when and how they will be updated on progress and findings in Strategies 1, 2, and 3 and how and when they will be engaged in implementing talent pipelines through Strategies 4, 5, and 6.

Reinforce that collaboratives can be used to launch a new initiative or be part of existing ones

The USCCF encourages communities to adjust this approach to meet their needs. We can either start a new initiative led by an employer collaborative or start one as part of our existing efforts. For example, the collaboratives can be inserted as an employer subcommittee or working group under an existing sector initiative.
Ready for Next Steps?

Before you move to the next strategy, make sure you have achieved the learning objectives necessary to move forward. When you go back to your community, ensure you will be able to execute the following activities:

☑ Explain the key features and benefits of employer collaboratives and why they are a different way to engage employers;
☑ Determine where you will start in exploring the initial focus for a collaborative;
☑ Determine whether you will build on an existing partnership or start a new collaborative, and how you will manage and finance it;
☑ Determine how you will build a budget and how you will engage employers and key stakeholders for organizing the collaborative; and
☑ Optional: For those using the TPM web-based tool, develop an employer collaborative profile and employer member profiles to help manage and promote your work.