SECTOR IN THE CITY: CHICAGO’S WORKFORCE CENTERS FOR BUSINESS

Jeff Marcella
City of Chicago, Mayor’s Office of Workforce Development

National Network of Sector Partners Conference, Denver, CO
LESSONS LEARNED ABOUT CITY-LED SECTOR PROJECTS

- Diversified Funding
- Input and Participation by Business
- Give Business what Business Wants – A trained workforce
- Give Business what Business Needs – Business development
- e3: workforce, education, economic development
- Balance Supply and Demand – Push vs. Pull
- Partnerships Partnerships Partnerships
MAYOR’S OFFICE OF
WORKFORCE DEVELOPMENT
MISSION AND VISION

Mission:
To meet the evolving workforce needs of Chicago businesses and create training and career opportunities for Chicago residents by building strategic public and private partnerships.

Vision:
To deliver a skilled and diverse workforce that increases Chicago's competitiveness in the global economy by aligning workforce development initiatives with the City's education and economic goals.
CHICAGO WORKFORCE BOARD / MOWD TARGETED INDUSTRY SECTORS (since 2002)

- Manufacturing
- Service Industries (Hotels, Restaurants, Retail, Customer Service)
- Transportation/Warehousing/Logistics (TWL)
- Healthcare
- Technology
- Finance & Insurance
WORKFORCE CENTERS FOR BUSINESS (SECTORAL CENTERS) VISION

- Employer as the main customer.
- One stop shopping for business.
- Develop and *centralize* expertise in a targeted industry sector.
- Serve as a hub for WorkNet Chicago (WIA system) services within the industry sector.
- Teach “supply” side of WorkNet Chicago about industry hiring needs, assessments, training.
- Develop innovative training and placement programs in partnership with employers.
SECTORAL CENTERS: DEVELOPMENT

- Chicago Workforce Board Sectoral Committee and MOWD discussions begin in 2004. (Explorations since 1996!)
- Research on models elsewhere.
- Industry input including national and local industry associations, local businesses, labor.
- State of Illinois “Critical Skills Shortage Initiative” (CSSI) regional analyses and various sectoral projects.
- Parallel development of “Chicago Manufacturing Renaissance Council”
SECTORAL CENTERS: IMPLEMENTATION

- WIA contracts July 2005, renewed through 2007
  - Manufacturing - $1M: Instituto del Progreso Latino
  - Service Industries - $500K: Pyramid Partnership, Inc.
- Approximately $100K each of City unrestricted funds ---
  - NECESSARY FLEXIBILITY.
- New solicitation (RFP) March 2007
  - Same two operators selected
  - Planned expansion into additional sector – TWL
SECTORAL CENTERS: IMPLEMENTATION

- Advisory Board for each Workforce Center for Business:
  - Project Team
  - Employers
  - Industry associations
  - Labor organizations
  - Education
  - Community

Pyramid Partnership, Inc
SECTORAL CENTERS: SERVICES

- Recruiting and screening of applicants
- Labor market information
- Workforce needs assessments and customized response plans
- Industry-approved training curricula
- Customized training
- Resource for information on tax credits, economic incentives, funds for training and other business services
- Incumbent Worker training
MANUFACTURINGWORKS: PARTNERS

- Instituto del Progreso Latino (Lead agency, CBO)
- Chicago Federation of Labor (organized labor)
- Chicago Manufacturing Center (Manufacturing Extension Partnership)
- Local Industrial Retention Initiative (LIRI) organizations (Industrial Development, City contractors)
- Alliance for Illinois Manufacturing
- Center for Labor and Community Research
- Tooling and Manufacturing Association (industry partner)
- City Colleges of Chicago (education)
- City (MOWD and Department of Planning and Development)
- BUSINESS
MANUFACTURING WORKS: ACCOMPLISHMENTS

- 1073 job seekers placed
- Ongoing work with over 200 companies.
- Average wage $11.17/hour
- Advanced Skills Development Team
- Internship Program
- Monthly “Lean Manufacturing” simulations.
- Steering committee of 20 business leaders.
- Coordination with Chicago Manufacturing Renaissance Council.
SERVICEWORKS: PARTNERS

- Pyramid Partnership, Inc.
- Industry Partners:
  - National Retail Federation Foundation
  - Illinois Hotel & Lodging Association and Educational Foundation
  - Illinois Retail Merchants Association
  - Illinois Restaurant Association
  - National Restaurant Association Educational Foundation
  - International Customer Service Association
- City Colleges of Chicago
- Community organizations
SERVICEWORKS: ACCOMPLISHMENTS

- 750 job seekers placed with over 250 businesses
- Average wage $9.50/hour
- Advisory Board with representation from three industries (hotel, retail, restaurant) and range of business size.
- Implementation of National Retail Federation (NRF) “Credentialing Center”
- Completing Trainer of Trainers program for Customer Service Training through NRF
- Incorporating industry-approved standards for training and screening
BUSINESS PARTNERSHIPS

- Involve business from the start
- Development of training curricula
- Business associations provide access to businesses, key industry data, industry standards and skill certifications
PARTNERSHIPS WITH EDUCATION

- Developing training curricula to meet current business needs.
- Feedback loop from business for customizing and streamlining curriculum
- Brokering/providing customized training and securing/managing grants.
- Contextualized Bridge Programs
  - Connect limited English speakers / low literacy individuals into career paths.
PARTNERSHIP WITH ECONOMIC DEVELOPMENT SYSTEM

- Access to business customers
- Hot-off-the-presses info on business relocation, expansion and closures
- Comprehensive service strategy for City’s services to business customers (“Workforce Development IS Economic Development”)
IMPLEMENTING A SECTORAL CENTER: LESSONS LEARNED

Give Business what Business Wants:

RECRUITING:
- Listen carefully
- Observe on-site
- Conduct skills analysis
- Develop job profiles

MATCH THE BEST CANDIDATES
IMPLEMENTING A SECTORAL CENTER: LESSONS LEARNED

Give Business What Business Needs:
- “Tiers” of business
- Tiers of Service
- Business Needs Assessment
- Facilitate business “transformation”
  - Lean Manufacturing simulations and implementation
IMPLEMENTING A SECTORAL CENTER: LESSONS LEARNED

Balancing Supply and Demand:
- Pipelines take a LONG TIME to develop.
- Challenges of WIA performance
- Balancing Business and Job-Seeker Needs - It’s not a balance, it’s a win-win…
- It’s bad to have too many job-seekers and not enough jobs;
- It’s WORSE to have too many businesses and not enough qualified candidates!
IMPLEMENTING A SECTORAL CENTER: LESSONS LEARNED

Diversified Funding:
- WIA can’t do it alone
- Need flexibility
- Comprehensive city/community/regional effort
- Get Business buy-in, by getting business to BUY IN.
SECTORAL CENTERS: What’s Next?

- Evaluation planned for late 2007
- Return on Investment (ROI) and business value
  - Study and develop hard cost-benefit data to present to businesses...
- ...FEE FOR SERVICE
- Replicate the model
CHICAGO’S WORKFORCE CENTERS FOR BUSINESS

Jeff Marcella
City of Chicago
Mayor’s Office of Workforce Development
312-746-7464
jmarcella@cityofchicago.org
www.cityofchicago.org/mowd
www.chicagomfgworks.com