



Stearns-Benton Regional Planning

A Foundation
for Building Workforce and Industry
in Stearns and Benton Counties



Report Agenda:

Who are we?

Where have we been?

- The Partnerships: Building Coalitions
- The Process of the Community Audit
- The Product: Highlights of the *Community Assessment*

Where are we now?

- Industry Forums – Phase II

Where are we headed?

- Summit and Report out
- Phase III
- Reflections



Stearns-Benton Workforce Service Area

- Joint Powers Board
- Two-County WSA, population less than 200,000 but rapidly growing
- Workforce Council
- Partner in 1 WorkForce Center (One-Stop) in St. Cloud metro area (regional 3-county hub serving 250,000)
- “Northwest Corridor” from Minneapolis/St. Paul



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Where were we three plus years ago?

There was a sentiment that a “systemic” view of the workforce would better inform development strategies. What “coalitions” would help make this systemic?

What made this community “ready for this work”?

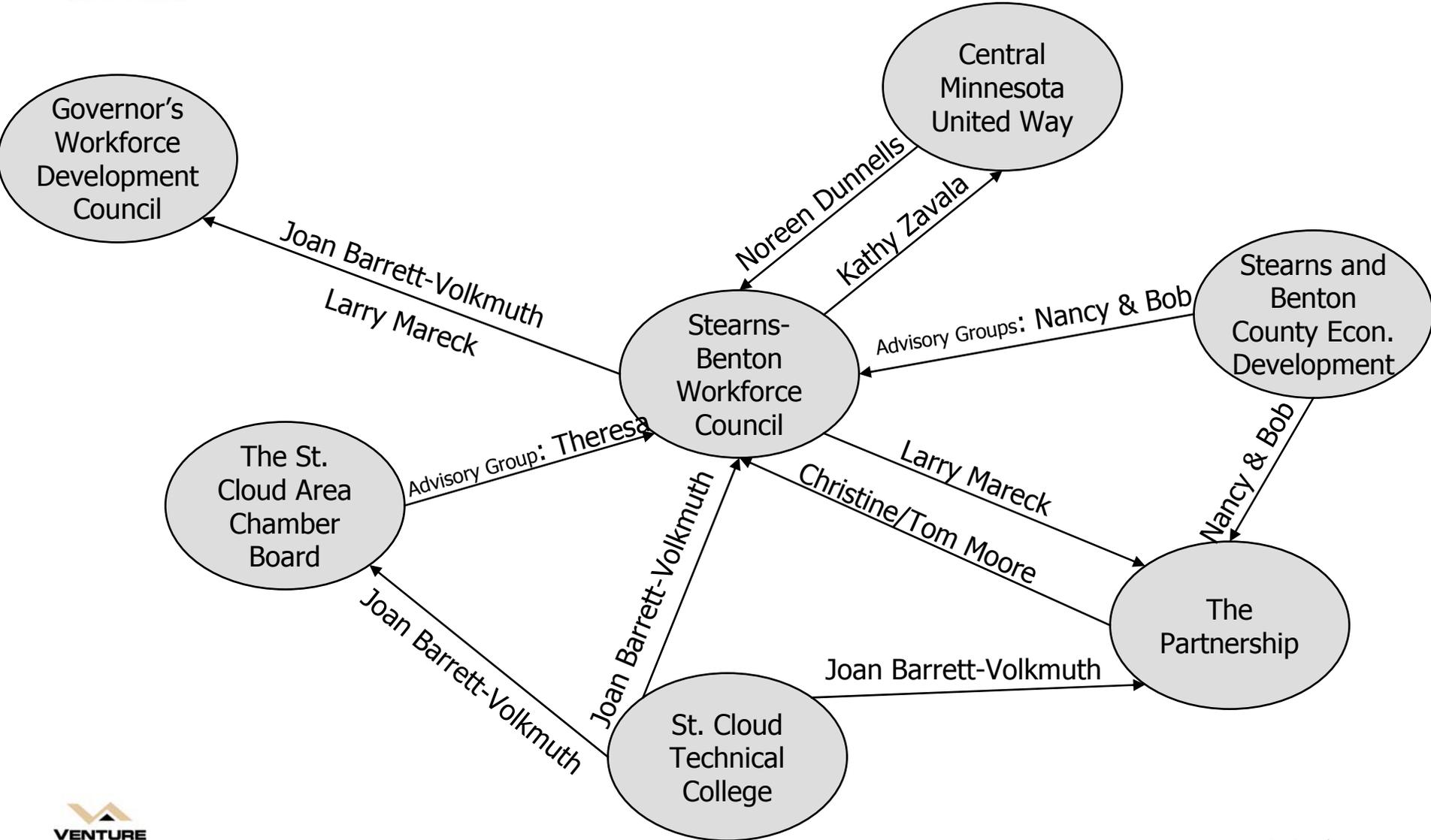
- Geographic collaboration (St. Cloud Metro is 3 counties, 5 cities)
- History of Collaboration
- Work Ethic Value system of “Paying back to the Community” and “Ownership of the Community”
- Educational orientation
- Rapid change (diversity, rural → metro, growth)
- Focus on “Quality of Life” – “whatever we decide, it needs to address quality of life”

What makes it similar to other areas?

- Same types of “entities” exist (Chamber, United Way, Workforce Center, etc)
- Same customer categories exist (employer, job seekers)
- Same funding shortages exist
- All have challenges
- All face Global competition



The Workforce Council's role in "Setting the Table" meant enhancing the existing "coalitions."





We adapted a process from the Department of Labor for launching a successful Community Audit.

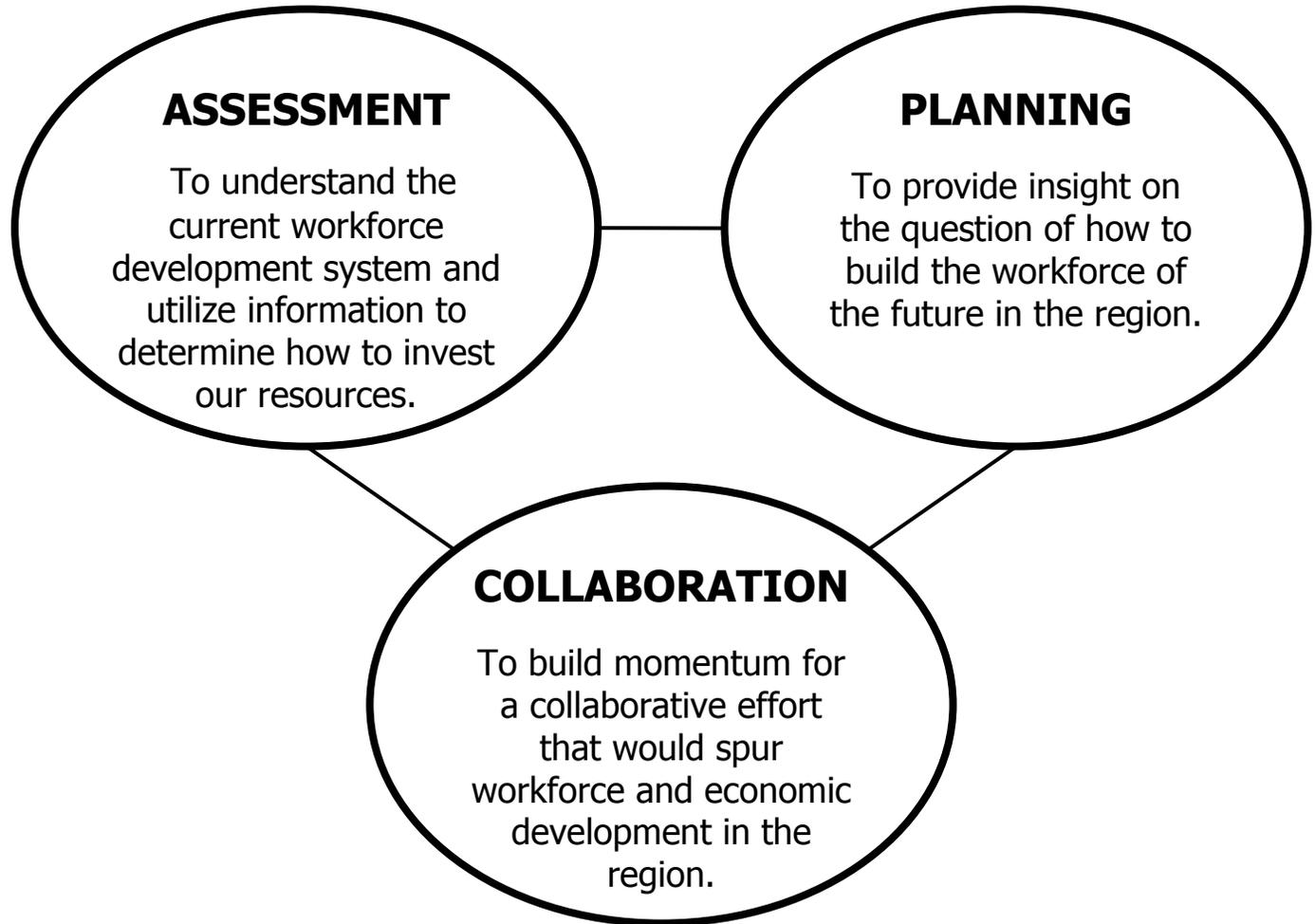
The process is... “fundamentally a strategic planning effort” whose purpose is to provide useful information to key local stakeholders, including employers and employees – as well as policy makers, workforce, and economic development practitioners and educators (D.O.L., 2000).





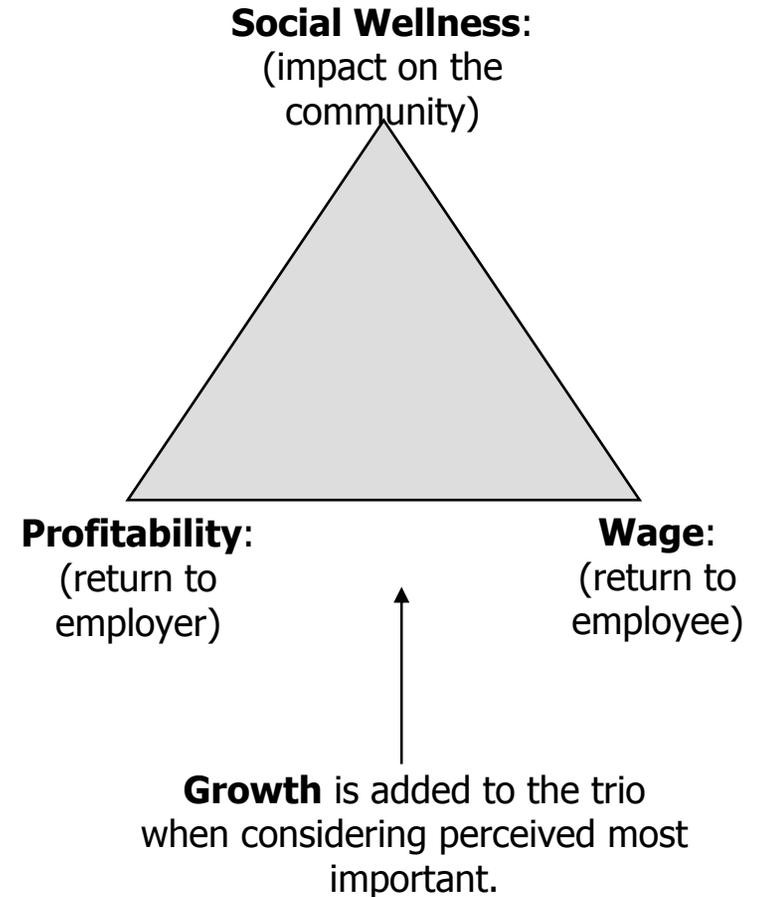
Three main goals were established for the Stearns-Benton Community Audit.

The overarching goal was to inform the subsequent creation of a strategic plan for workforce development for targeted industries and occupations in the region....



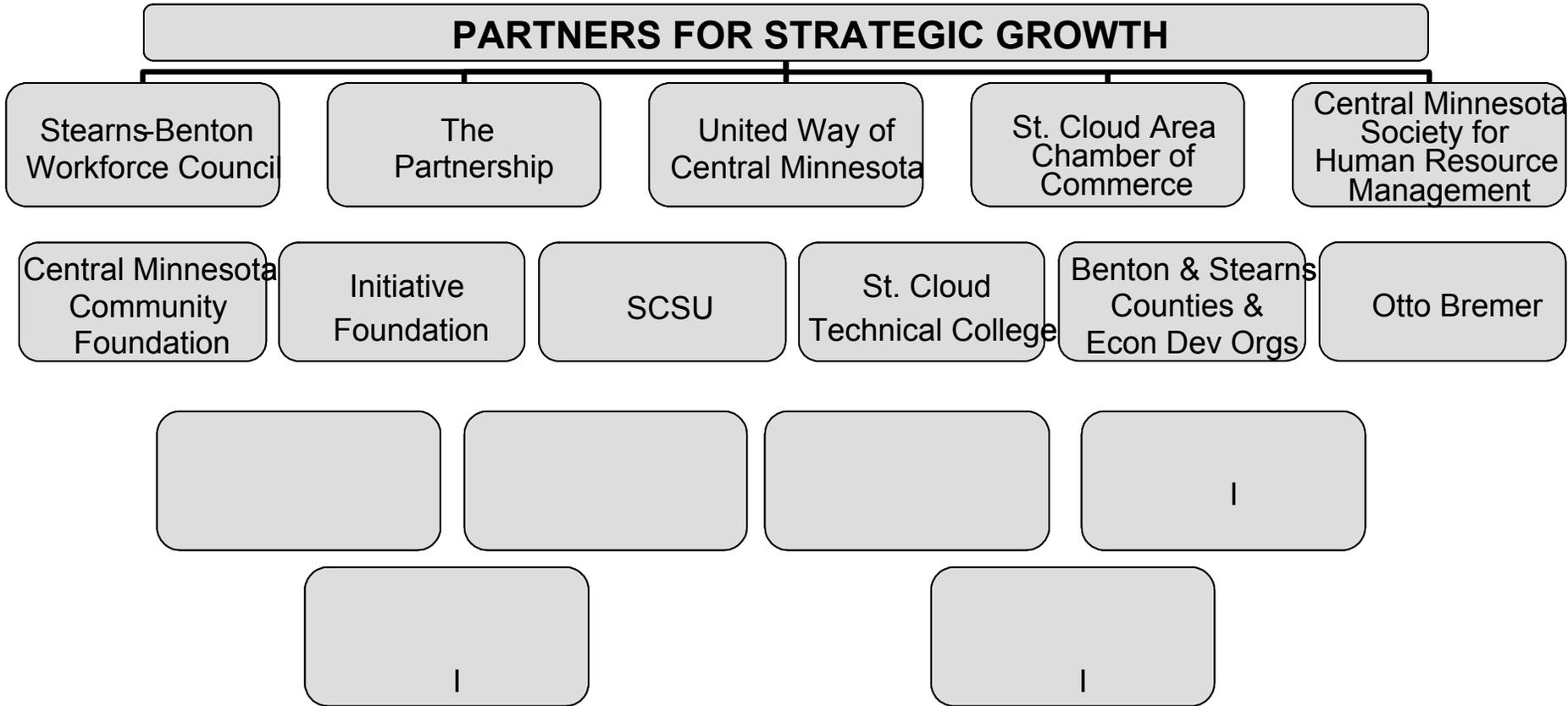
Industry Assessment: Attribute Importance

1. First Order Criteria:
 - Wage, Social Wellness, and Profitability
2. Second Order Criteria:
 - Growth, Resource Leverage, and Productivity
3. Third Order Criteria:
 - Size and Innovation
4. Fourth Order Criteria:
 - Employment Concentration and Support Industries



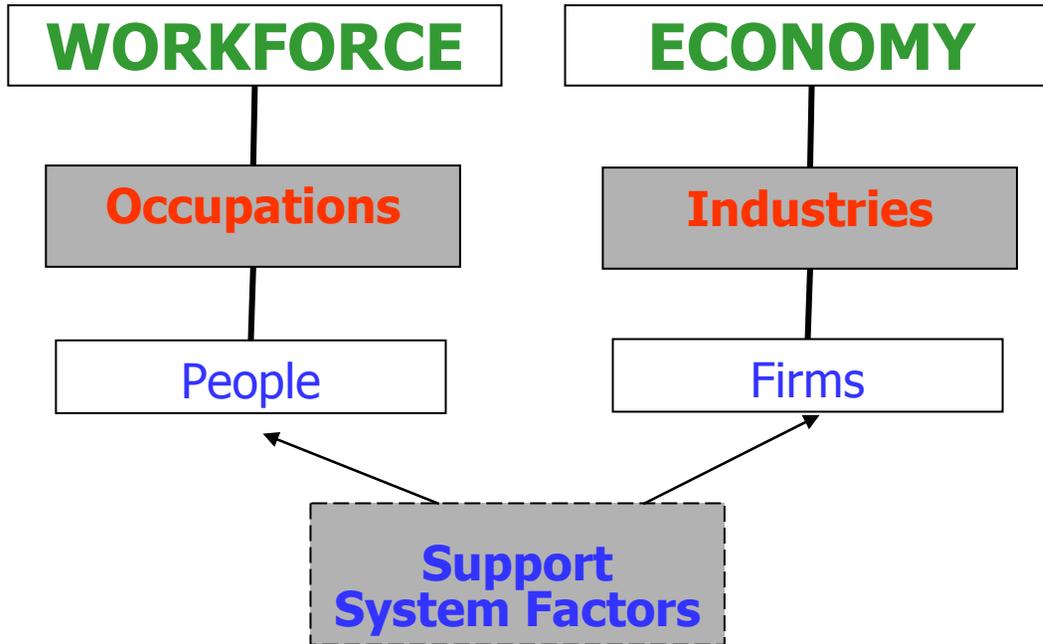


The organizational chart for the effort continues to evolve and grow.





Focusing on Industries and Occupations provides a meaningful level of analysis.

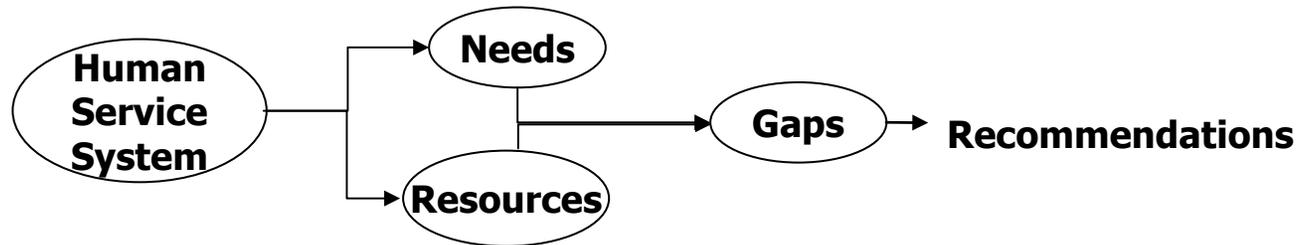


Too high – ambiguous
May not be actionable
We analyzed “indicators”



Too low – not strategic
May not be impactful
We used existing data & analysis as support

Additionally, an analysis of the support systems provides a more comprehensive view for planning purposes.





Each Industry received a Weighted Performance score using recent Stearns-Benton data.

Attribute	Data for the Industry in Stearns-Benton	Level 1 Utility Score	Level 2 Utility Score	Level 3 Utility Score
Size	1,068 employees in S-B	4.6	7.5	-12.1
Employment Concentration	Proportionally .44 times as many employees as U.S.	-14.9	9.7	5.2
Innovation	Advanced technology	-33.7	33.7	
Growth	11.4% employment growth	-37.5	15.4	22.2
Profitability	8% average profits	-61.7	16.4	45.2
Wages	\$33,150 average wages	-63.6	-1.1	64.7
Productivity	\$122,708 sales/employee	-40.7	8.8	31.3
Social Wellness	No negative impact on the environment	-77.9	11.0	66.9
Resource Leverage	Limited use of local human and natural resources	-15.9	14.2	1.6
Support Industry	Not a support industry (like education, healthcare, etc)	-12.4	12.4	

This analysis was done for each of the 20 industries – and a similar process for occupations. This chart shows the scoring process for the Management and Engineering Services Industry.



We used various methods to triangulate the data.

Secondary Research

- **Built on Current Research**
 - Labor Force Assessment
 - Job Vacancy Surveys
 - St. Cloud Area Profile
 - Various Gov't Agencies (BLS, DES, Census...)
- **Case Studies & Theory**
 - Competitive Advantage of Nations/Cities
 - Dr. Michael Porter
- **Benchmarking and Collaboration**
 - Massachusetts Innovation Index
 - Twin Cities Taskforce

Workforce-Related Primary Research

- **Adaptive Conjoint Analysis** was used via an On-Line Survey Tool
- **Blind Test – Tradeoffs of Assessment Criteria** Without using Industry/Occupation Names, respondents were asked the relative importance of 10 **Attributes making complex Trade-Offs**
- **Direct and Open-Ended Questions**
- > 75% response rate in each organization, most over 90%, including over 150 community leaders
- **Interviews (20)**

Human Services-Related Primary Research

- **Written survey** of providers (155 completed surveys)
- **Key informant interviews** (28 Community leaders)
- **Focus Groups** (94 participants across topic areas and geographies)



Each Industry's “Weighted Performance” and “Perceived Value” were analyzed by the team:

Industry	Weighted Performance	Perceived Value
Engineering and Management Services	1	3
Wholesale Trade	2	12
Printing and Publishing	3	8
Machinery, Metal, and Instruments Manufacturing	4	1
Business Services	5	5
Finance, Insurance, Real Estate	6	8
Health Services	7	2
Educational Services	8	4
Stone, Clay & Glass Products	8	7
Trucking and Warehousing	10	15
Communications & Electric, Gas & Sanitary Services	11	15
Food & Kindred Products Manufacturing	12	11
Recreation, Membership & Other Services	13	18
Personal Services	14	15
Construction	15	8
Retail Trade	16	14
Social Services	17	12
Lumber and Wood Products Mfg.	18	19
Agriculture & Ag Services	19	6
Hotels & Lodging	20	19
Public Administration	21	21

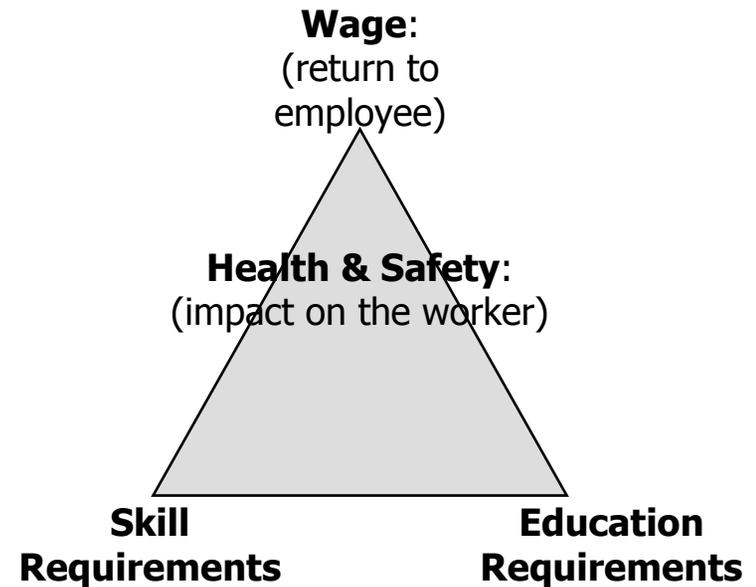


Strategic Industries

Industries	Description
Business Services	Establishments primarily engaged in rendering services to business establishments on a contract or fee basis. This includes <i>information technology providers and personnel supply services</i> .
Engineering & Management Services	Establishments primarily engaged in providing <i>engineering</i> , architectural & surveying services; accounting, auditing, and bookkeeping services; research, development & testing services; and <i>management & public relations</i> services.
Health Services	Establishments primarily engaged in furnishing <i>medical, surgical, and other health services</i> to persons.
Manufacturing	Establishments engaged in <i>manufacturing industrial and commercial machinery and equipment and computers, as well as fabricating metals</i> and other such mfg.
Printing & Publishing	Establishments engaged in <i>printing</i> by one or more common processes, such as letterpress; lithography gravure, or screen; and establishments that perform services for the printing trade, such as bookbinding. It also includes <i>publishing</i> newspapers, books, and periodicals.
Wholesale Trade	Establishments primarily engaged in selling merchandise to retailers: <i>industrial, commercial, institutional, farms, construction contractors, or professional business users</i> ; <p style="text-align: right;">S.</p>

Occupational Assessment: Attribute Importance

1. First Order Criteria:
 - Wage and Worker Health and Safety
2. Second Order Criteria:
 - Skill Requirements, Educational Requirements and Transferability of Skills
3. Third Order Criteria:
 - Size and Job Vacancy Rates
4. Fourth Order Criteria:
 - Innovation and Employment Concentration





Each Occupation received a Weighted Performance score using recent Stearns-Benton data.

This analysis was done for each of the 21 standard occupations. This chart shows the scoring process for the Healthcare Practitioners and Technical Occupations.

ATTRIBUTE	DATA	Level 1 Utility		Level 2 Utility		Level 3 Utility
Wages	\$47,990	-76.76		11.04		65.72
Worker Health	L3	-70.52		6.60		63.92
Education Requirements	L4	-24.19	9.17	16.74	-1.72	
Skill Level Requirements	L3	-49.35		7.39		41.95
Transferability of Skills	L2	-46.76		46.76		
Growth & Future Size	3.0	-43.70		10.24		33.46
Size	4,400	10.70		3.91		-14.61
Vacancy Rate	4.10	-6.41		11.29		-4.89
Innovation	L2	-29.75		29.75		
Employee Concentration	109.0	-5.84		9.99		-4.14



Likewise, each Occupation’s “Weighted Performance” and “Perceived Value” were analyzed by the team:

Occupation	Weighted Performance	Perceived Value
Healthcare Practitioners and Technical Occupations	1	1
Computer and Mathematical Occupations	2	2
Architecture and Engineering Occupations	3	9
Legal Occupations	3	13
Business & Financial Operations Occupations	5	2
Management Occupations	6	7
Life, Physical & Social Science Occupations	7	18
Education, Training, and Library Occupations	8	6
Community and Social Services Occupations	9	7
Arts, Entertainment, Sports, & Media Occupations	10	18
Sales and Related Occupations	11	10
Healthcare Support Occupations	12	5
Protective Service Occupations	13	4
Office and Administrative Support Occupations	14	12
Personal Care and Service Occupations	15	15
Installation, Maintenance, and Repair Occupations	16	15
Transportation and Material Moving Occupations	17	18
Building & Grounds Cleaning/Maintenance Occupations	18	13
Food Preparation and Serving Related Occupations	19	22
Production Occupations	20	18
Construction and Extraction Occupations	21	10
Farming, Fishing, and Forestry Occupations	22	15



Strategic Occupations

Occupations	Description
Architecture and Engineering Occupations	Architects, Surveyors, Chemical Engineers, Mechanical Drafters, Industrial Engineering Technicians and the like
Business and Financial Occupations	Insurance Appraisers, Cost Estimators, Accountants, Auditors, Financial Analysts, Loan Officers, Appraisers of Real Estate and the like
Computer and Mathematical Occupations	Computer Programmers, Computer Software Engineers, Computer Systems Administrators, Mathematicians, Statisticians, Network Systems Analysts and the like
Healthcare Practitioners and Technical Occupations	Chiropractors, Dentists, General Practitioners, Surgeons, Therapists, Registered Nurses, Technicians and the like
Management Occupations in the Targeted Industries	Top Executives; Advertising, Marketing, Promotions, Public Relations, and Sales Managers; Operations Specialties Managers; Other Management Occupations and the like



The “**Community Assessment**” documents the process and incorporates a variety of relevant indicators.

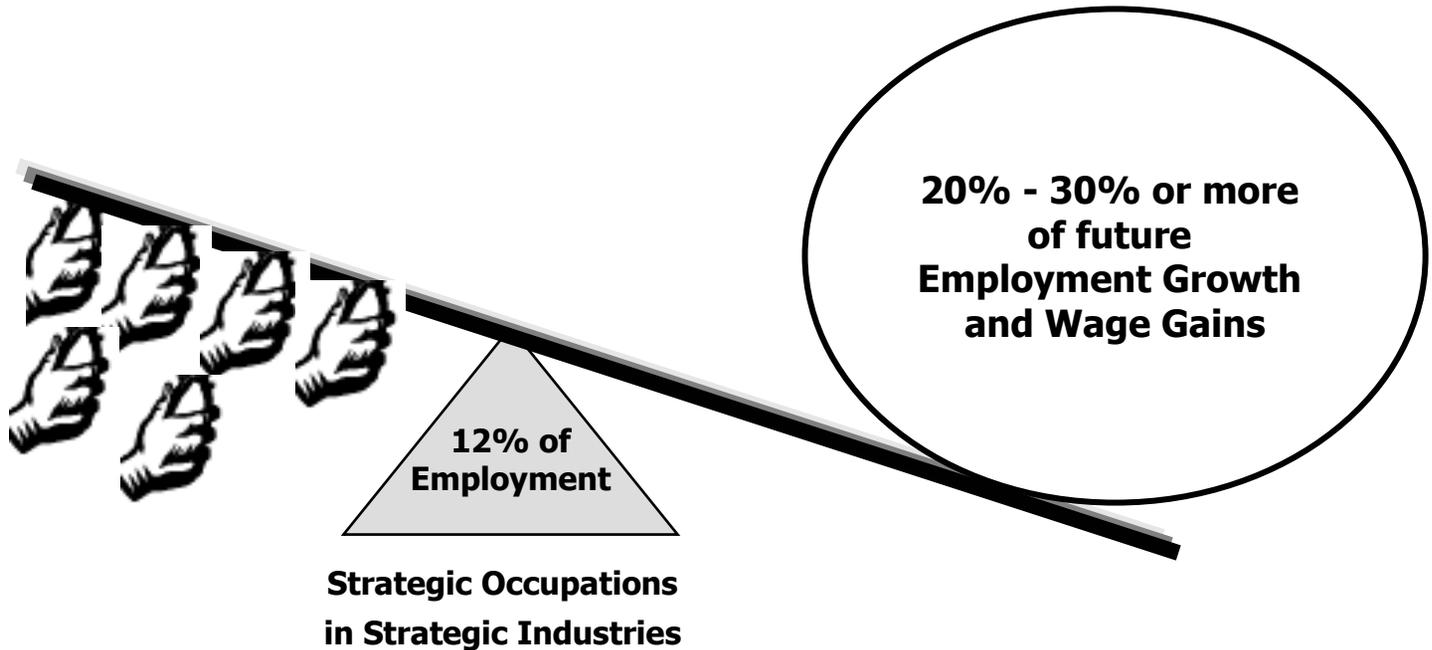
Report

- Describes the process in detail
- Reports on various performance indicators of the Workforce and Human Service Systems
- Focused on Strategic Industries and Strategic Occupations
- Includes sections on:
 - “Why is this indicator important?”
 - “How does Stearns-Benton look now (actual data)?”
 - What do these implications mean for the region?”

Goals and Measures of System Performance

- Indicators of “Workforce Capacity” or System Inputs
 - Ex. Population Growth, College Graduate Retention, Educational Achievement, etc.
- Indicators of “Growth and Innovation” or System Processes
 - Ex. New Business Starts, Business Expansions, Equity Capital, etc.
- Indicators of “Economic Vitality” or System Outcomes
 - Ex. Wage Levels, Industry Growth, Occupational Growth, etc.

Leveraging the Strategic Industries and Occupations could spur growth and wage gains.





The results will be utilized in a number of ways.

The *Community Assessment* is a **baseline** with measurements focusing on strategic industries and occupations.

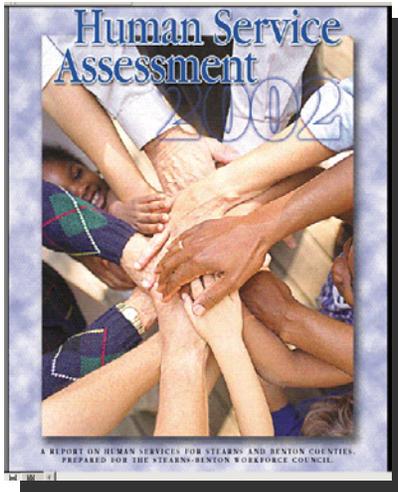
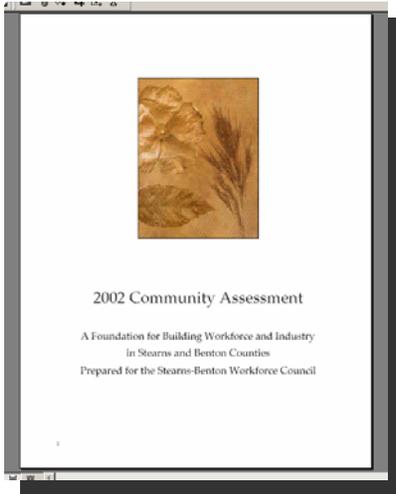
- **Participating organizations** intend to utilize the strategic targets and the indicators in their own planning, investing, and marketing efforts.
- **Investment:** the investment of time, attention and money into the strategic industries and occupations.
- **Ongoing measurement:** the ongoing measurement and progress reporting against the goals and the regular update of these indicators.
- **Goal setting & Planning:** setting future outcome levels that are desirable and achievable and planning initiatives around those goals...

“The results of the Community Assessment will be a directional indicator. It will be a valuable tool in making decisions for the economic growth and stability of our community. The Assessment should allow for a greater confidence in building an economic development itinerary, resulting in better planning for tomorrow.”

*Larry Haws, Stearns County
Board of Commissioners,
Joint Powers Board Chair*



Phase I – the Assessment - is complete.



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Partners for Strategic Growth is an initiative in Stearns and Benton counties to enhance positive growth in the community by growing strategic industries and strategic occupations. The team has conducted extensive workforce, social service, and economic research of the region, and has targeted specific industries and occupations that are positioned to create results. By guiding action plans to leverage resources, Partners for Strategic Growth can influence this desired growth.

View the [Community Assessment](#), a report that highlights the region's development and details key economic and workforce indicators.

View the [Human Services Assessment](#), a report on human services and support in the region.

"Because employment is so crucial to the area, improving the quality and quantity of jobs will ultimately strengthen our community."

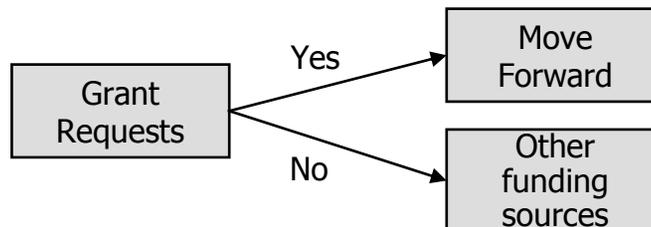
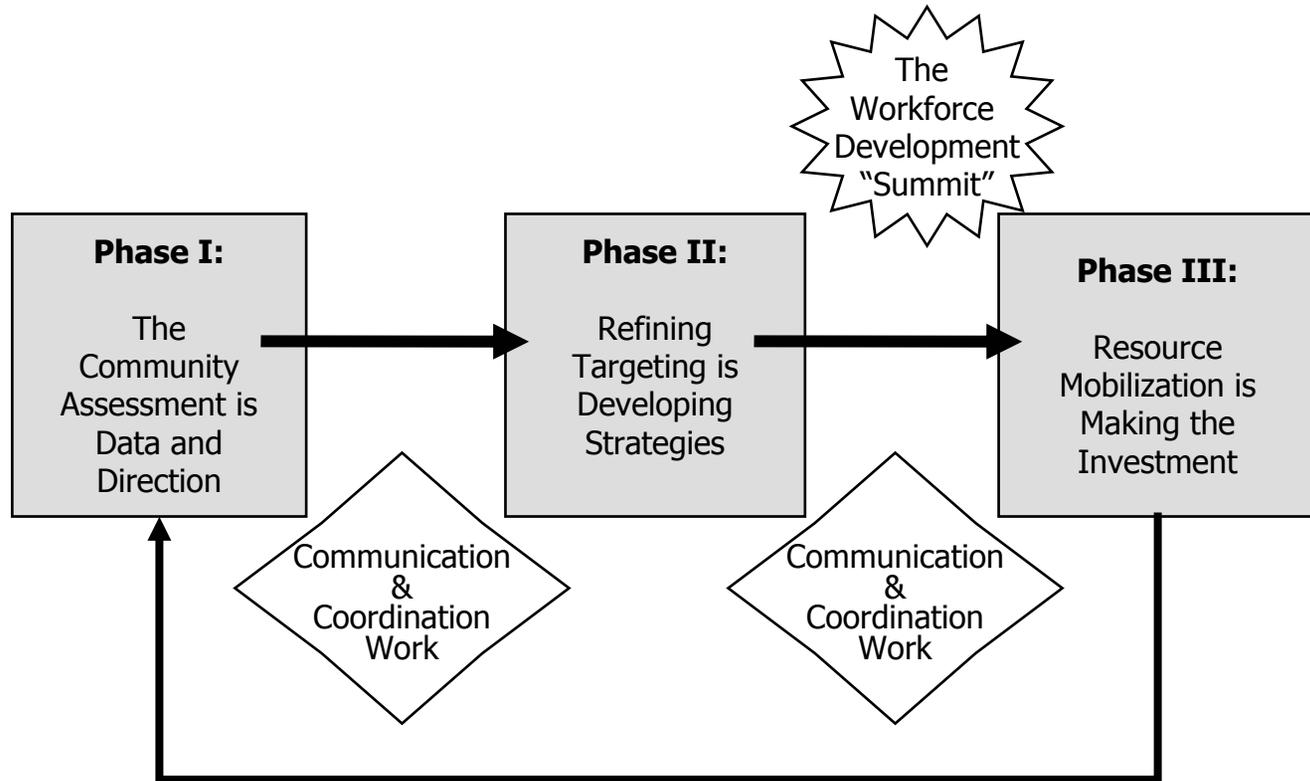
— Steve Bresnahan, Catholic Charities

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PHASE II

A deliberate implementation plan is underway.



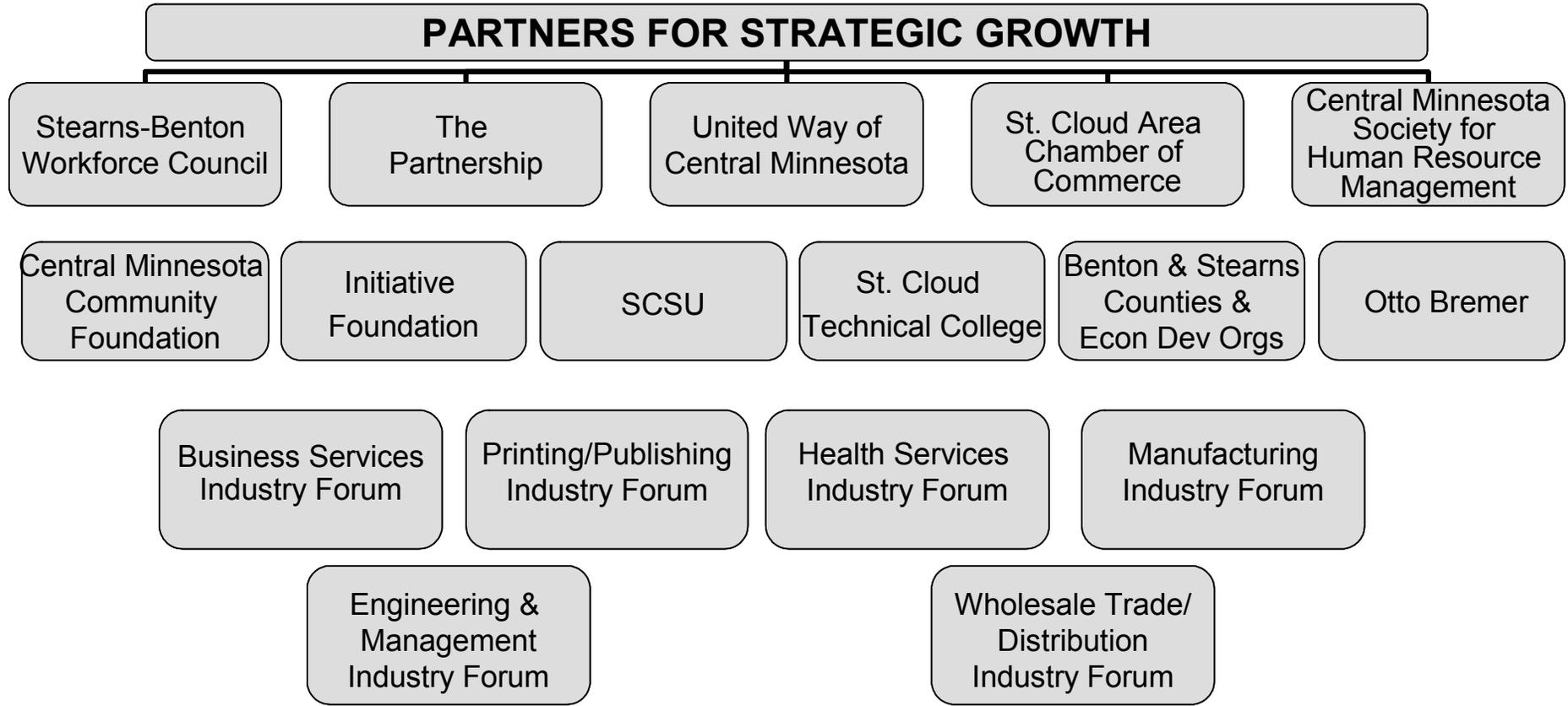


The Components for Phase II were identified.

1. Recruit “Domain Experts”/Entrepreneurs to Industry/Occupation “Forums”
 - Ask the Entrepreneurs in each industry the question, “How do we grow the industry?”
 - Ask Educators and HR professionals, “How do we grow the occupation?”
2. Further Target Strategic Niches – data collection/analysis
 - Quantitative Data through various data sources
 - Qualitative Data through Forums led by the “Domain Experts” above
3. Identify Value Drivers/Growth Catalysts in each industry/occupation
 - Ask “What drive the industry growth?”
 - Additional Research
4. Map and Mobilize Resources
 - Collect and Organize Resources of various Social, Government and Education sectors....
 - Map what resources these organizations have and mobilize some share for the effort (eg. Develop a Trade Association, assist with development of entrepreneurs or lobby for policy change)
5. Develop a Platform – Policy Recommendations
 - Communication via brochure-ware
 - Organize a “Summit” (Provides “big picture” guidance on dimensions of workforce, human service, economic and community development)
6. Measure Results
 - Develop Administrative Systems for Coordination (Example is a Web Site for project management, coordination, and communication of the effort)
7. Modify and Adjust



The organizational chart for the effort continues to evolve and grow.





To accomplish the goals, the industry forums are generally following a four-stage process.

Opportunity Assessment: Background & Industry Trends-
Where are we?

Value Drivers-
What are the catalysts for growing the Industry? What niches?

Resource Needs –
What does your business need from the Community?

Synthesis and Action Planning-
What actions can be taken?

A
"Summit"

Intended Outcomes:

- Gain useful market knowledge from business people within the region that will help guide the work of various community organizations
- Provide guidance for strategic growth in the region
- Enhance communication/collaboration within the strategic industries



How to grow an Industry: Model of Competitive Advantage

Professor Porter is a leading authority on competitive strategy and the competitiveness and economic development of nations, states, and regions. When Porter's book, Competitive Strategy, came out in the mid 80's he coined the term Competitive Advantage and created a tremendous awakening about this notion in the business world.

- What goes on 'inside' companies is obviously important, but a vital role in the creation of competitive advantage can also be attributed to the business environment immediately 'outside' the company.
- Internationally competitive industries are associated with the development of clusters of industry in geographic regions, **defining clusters as geographic concentrations of interconnected companies and institutions in particular fields.**
- Successful clusters have supportive **factor** conditions, **demand** conditions, **related industry** and institutional development, and a context that encourages **collaboration** and **competition**.
- **Competitive advantage** is not "inherited" but developed, often through a network of relationships, which are regionally bound. These relationships are between businesses and their suppliers, competitors, customers as well as with government, and other institutional functions (e.g. education institutions, research facilities).



Focus of Industry Forum

- How to grow an industry: Model of Competitive Advantage
- Consider the various elements of how to Create Competitive Advantage and identify critical Value Drivers – what is needed for growth?
- Availability of Infrastructure Assets – Input factors
- Clusters: Geographic concentrations of interconnected companies and institutions
- Related and Supporting Industries
- Local Demand Conditions
- Rules and Incentives Governing Investment and Competition
- From your perspective, what catalysts are MOST IMPORTANT to focus on?



Can we build a business-higher education partnership to spur innovation and expand markets for Central MN businesses in and across strategic industries?

INPUTS

- Natural Resources/
Raw Material
- Infrastructure
(e.g., water, land, buildings)
- Business & Information
Services Industry Forum
- Management & Engineering
Industry Forum
- Transportation & Distribution
Industry Forum



INNOVATION

Productivity/Transformation

**INNOVATION
&
KNOWLEDGE
CREATION**

**SCSU, SCTC, SJU,
CSB, UMN, Others**



OUTPUTS

- Residential Cabinets &
Countertops
- Medical Devices
& Supplies and/or Nursing
- Media
Printing & Publishing
- Other Niches TBD

PARTNERS FOR STRATEGIC GROWTH AS RESOURCES

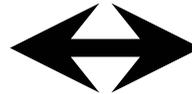
- Otto BREMER Foundation
- Stearns-Benton Workforce Council
- The Initiative Foundation
- The Partnership
- United Way of Central Minnesota
- Central Minnesota Community Foundation
- Government Organizations
- The St. Cloud Area Chamber
- Central MN Society For Human Resource Management



A Sample Action Plan for ABC Industry Cluster might look like this (*illustrative only*):

PRIVATE RESOURCES

- Firms & Anchor Companies
 - Could support new ventures that build-out the cluster
- Customers & Suppliers
 - Could view the cluster as an asset and actively contribute...
- Support
 - Expansions
 - Spin-offs
 - Joint Ventures
 - Startups
 - within the cluster



COMMUNITY RESOURCES

- The Chamber could work with firms to fill missing niches in the cluster.
- St. Cloud Technical College could align curricula and research to address local cluster needs for training.
- The City/Counties could establish research parks and incubators – upgrade core infrastructure needed by the clusters.
- Stearns-Benton Workforce Council could focus its training/career development on needs of the cluster.
- ETC...



The summit will be the reporting out of action plans from the forums and the building of momentum for next steps.

- Sub-Committee: planning in process
- 12 November 2004
- Broad participation – Sponsorship Opportunities
- Primary purpose: reporting of action plans from the industry forums; developing momentum for working on the plans (who will do what)...



In the meantime....How to create capacity?

- Printing/Publishing – Families Forward McKnight Grant
- Partners
- Health Services – H1B, McKnight Foundation, WIA 10% discretionary
- Partners
- Manufacturing
- Other activities



Issues as we move forward

What is our role? (Football)

What is success? How long will it take? How do we measure it?