

Colorado SECTORS Initiative: Aerospace Planning Initiative

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COLORADO'S SECTORS INITIATIVE

In May 2009, The Colorado Department of Labor and Employment (CDLE) and the Colorado Workforce Development Council (CWDC) jointly awarded funding to super-regions throughout the state. Funding was provided to regional workforce partnerships to plan a sector strategy, and many of these grantees received additional funding for the implementation of these activities. Since 2009, ten grants have been awarded to target industries including aerospace, healthcare, manufacturing, renewable energy, and water/wastewater management. Sector initiatives are developed through local public-private partnerships, are industry focused, and include workforce development, economic development, education and other stakeholders to address high priority workforce challenges within an industry.

BACKGROUND

The Colorado Aerospace Planning Initiative was developed out of a two-fold need: (1) the desire of the Aerospace industry to rapidly scale up manpower and production in anticipation of an economic up-turn, and (2) the ability of the workforce system to partner with the aerospace industry and related supply chain companies in meeting those needs. With tight alignment between local partners, the Pikes Peak and Jefferson County Workforce Centers could become a valued conduit to assist the aerospace industry in preparing for the next upswing and help related companies remain competitive both in Colorado and nationwide.

The current economic down-turn and uncertainty surrounding the federal budget has significantly impacted the aerospace industry. As with other industries, aerospace companies have drastically decreased operating and workforce levels as they wait out the current economic down-cycle and may not be prepared with staffing needs if/when business returns.

The aerospace industry in Colorado is also challenged by competition. Huntsville, Alabama has been encouraging aerospace companies to relocate and expand their space mission activities to Alabama. Some aerospace companies are now conducting cost-benefit reviews to determine if relocation to Alabama is feasible. Losing the aerospace industry would result in a major economic loss to the state of Colorado.

GOALS AND OBJECTIVES

The purpose of the Colorado Aerospace Planning Initiative is to develop the foundation for the workforce centers to provide future tailored services/training to aerospace and related supply chain/manufacturing companies.. The three broad goals of the initiative were to:

- Conduct outreach to document the issues, challenges, and opportunities within aerospace and related supply chain companies;

- Develop a detailed aerospace industry occupational profile for improved industry growth projections and to develop a multi-user, online shared database among the workforce centers to assist in service delivery;
- Establish and develop multi-workforce center operating processes and procedures for later state-wide streamlined and unified service delivery abilities.

It was thought that the grant and success in meeting these goals would communicate Colorado's interest in the aerospace industry and provide an incentive for the aerospace industry to grow in Colorado. The Aerospace Planning Initiative developed six objectives that directly targeted the overarching goals of the project:

- Develop more accurate industry occupation profile information for improved industry, regional, and occupational growth forecasts;
- Develop a complete picture of all aerospace companies in Colorado along with the identification and relationship of related supply chain/manufacturing companies;
- Increase formal relationships with aerospace and supply chain companies among the workforce centers;
- Address and overcome a lack of a uniform and "franchised" delivery system for the workforce centers when working with the aerospace industry;
- Increase eligible employment candidates for aerospace recruiting needs;

Develop a state-wide data infrastructure to manage aerospace training/services. The goals and objectives developed for the planning initiative were meant to create a foundation to be carried forward through a subsequent Implementation Grant.

PARTNERSHIPS

The Colorado Aerospace Planning Initiative was a joint effort between the partnering regions of Pikes Peak Workforce Center (PPWFC) and the Jefferson County Workforce Center, which serves the tri-county region of Jefferson, Gilpin, and Clear Creek. Partners in the Pikes Peak Workforce Region consisted of the Colorado Springs Chamber of Commerce, the Colorado Springs Regional Economic Development Corporation, and the Colorado Procurement Technical Assistance Center. The Tri-County Workforce Region consisted of the Jefferson Economic Council and the Colorado Association for Manufacturing and Technology. The primary role for each of these partners was relationship building and outreach efforts to the aerospace industry.

IMPLEMENTATION ACTIVITIES

One important goal of the Aerospace Planning Initiative was to conduct a training needs assessment. Activities thus centered on collecting information, building partnerships and credibility, assessing the needs of the aerospace industry and supply chain/manufacturing companies, and re-structuring systems to better meet the needs of the workforce centers and aerospace industry collectively.

The planning initiative worked to “listen” to the needs of the aerospace industry and develop methods for the workforce system to meet those needs. The two workforce regions partnering in the initiative, Tri-County and Pikes Peak, developed an outreach plan to identify the needs of the industry. Both regions implemented outreach to conduct a focus group and to compile a needs assessment document.

A problem identified prior to the planning initiative was that industry occupational profiles were not clearly delineated or categorized in a systematic way. For example, some aerospace companies categorized their accountants as “aerospace employees,” while some categorized them as “business and finance.” This led to confusion when workforce centers were trying to work with the industry. Workforce centers would not be able to adequately address employment or training needs without a clear description of what occupations were in need of training or staffing services. In order to address this, PPWFC completed an industry occupation profile to determine what occupations existed, what occupations needed filled, and what occupations might be able to make use H-1B Technical Training funding.

It was discovered that a large pool of potential qualified candidates for the aerospace industry were being overlooked by workforce centers in Colorado because Air Force personnel were not being separated from the Transition Assistance Program (TAP) into Connecting Colorado. Developing a method to separate these potential candidates and register them in Connecting Colorado was an implementation focus.

A major implementation activity involved developing alignment of services for aerospace businesses across the participating workforce centers. Because Colorado’s workforce system has a regional and local focus, it largely operates on an independent basis. From a training service standpoint, workforce centers are not connected. This lack of connectivity and communication results in a loss of credibility since different workforce centers may give different information/advice in response to the same question. To avoid this, the planning effort proposed to develop an on-line, encrypted, shared database enabling multiple Workforce Centers to enter and update industry contact data, view and update training data, coordinate events, and eventually track STEM initiatives. The company information compiled and published by Broadlook¹ was found to be the most efficient and cost effective method for

¹ An Internet utility tool that automatically obtains employee names, job titles, email addresses and telephone numbers from company web sites.

collecting and maintaining an aerospace industry database. A staff member was assigned to explore this information tool and conduct company research.

ACHIEVEMENTS

Relationship building was imperative to the planning initiative and represented a major achievement. The relationships formed during the Aerospace grant are providing a solid basis for utilizing H-1B technical training grant funds to support the industry locally.

Jefferson County WFC contacted thirty two companies for a focus group and a needs assessment. Ten companies participated in the focus group. PPWFC contacted 136 companies regarding their training needs and workforce challenges, receiving forty two responses. Responses from both centers' outreach were compiled into a needs assessment document.

Outreach to the United States Air Force (USAF) and Transition Assistance Programs (TAP) program was completed, however it was revealed that TAP was outsourced to a private contractor, and that the USAF had different requirements than other military personnel regarding TAP; therefore the separation of the personnel into Connecting Colorado became a challenge.

An online and shared database management system was developed for the workforce centers and aerospace industry in order to provide industry training information, contact information, etc. PPWFC learned how to use the Broadlook software and will continue to use these tools to provide additional data. Licenses were purchased for Jefferson County and renewed for the PPWFC.

A goal of the planning initiative was to obtain a complete list of aerospace companies, appropriate contacts, and mission statements for outreach need. Significant data was collected; however, this is an ongoing activity and will continue as the Workforce Regions transition into implementing the H-1B Technical Training Grant.

IMPACT / RETURN ON INVESTMENT (ROI)

Other than staffing and travel associated with the outreach and information gathering activities primary to the planning initiative, the one major investment of grant monies was the purchase of the Broadlook Software. Given that this central investment will continue to streamline the system into the future, the ROI will be seen cumulatively over years. Licenses were purchased for two workforce centers during the period of this grant, but purchase by other workforce centers will be imperative (and systematically simpler) in the future.

It is difficult to determine the overall ROI of the database at this point since the system is: (1) not utilized throughout Colorado, and (2) too new to assess. However, if the aerospace industry

uses workforce centers to provide staff and training on a regular basis the benefit to both will be enormous. In addition, the services and benefits provided by using system may encourage the aerospace industry to remain in Colorado and discourages its relocation elsewhere.

The primary goal of the planning initiative was to establish credibility with the aerospace and manufacturing/supply chain industry to properly position the workforce system with these industries as a precursor for the later implementation phase. It is difficult to measure credibility in terms of ROI, but again, establishing credibility and supporting a solid aerospace presence within the state is immeasurable.

CHALLENGES

The biggest challenge throughout the planning initiative was the proprietary and secure nature of the aerospace and defense industries. While relationships have been (and continue to be) developed, the nature of the industry still leads to difficulties in compiling information due to concerns about the use and distribution of secure information. While some aerospace industries in other regions are considered civil aviation and requirements are of a slightly more relaxed nature, the work and training for aerospace is considered proprietary and classified. Therefore, the Aerospace industry in Colorado is difficult to earn entry to, especially during a short grant period. Trust was built the quickest when an “insider” from a large company or trade association provided the contacts and introductions. Relationship building became most challenging when no such person was available and relationships stalled.

Outreach to companies for focus group and needs assessment studies was not effective. Jefferson County contacted thirty two companies but only ten participated in a focus group. While additional focus groups were planned, they were not able to come to fruition due to a key staff member change in the final months of the grant. The PPWFC contacted 136 companies regarding their training needs and challenges, receiving 42 responses.

Contact was made with the (TAP) managers at the various installations to assist in reaching personnel. There were significant delays in making this connection due to Department of Defense program changes early in the grant period. In addition, it was discovered that the military services have different requirements for TAP, and TAP is outsourced to a private contractor for the Air Force. Therefore, alternatives must be employed to reach these personnel, and plans to add USAF personnel to Connecting Colorado as part of the planning initiative were unable to be completed.

Another challenge presented during the planning initiative was of a broad economic nature. The economic downturn and coinciding defense budget cuts have greatly affected the region’s defense and aerospace employers. This has subsequently resulted in an increase in workforce center enrollments of occupations and education levels not historically served. While streamlining and aligning workforce center services to better address the needs of the aerospace

industry certainly helps, workforce systems in Colorado must continuously adapt to its unique labor pool and to meeting the current demands of other industries.

LESSONS LEARNED

- **Implementing database software took longer than expected** as extensive time was required to research, locate, purchase, and install the software for use. Training for workforce staff was also needed, as was training of case managers and other WFC employees in both the Pikes Peak and Tri-County regions. There was also substantial difficulty implementing the shared database due to unclear occupation descriptions, i.e.; a standard description had to be established in order to proceed. Developing a standard acceptable to the aerospace industry (and in line with their needs) as well as the workforce system (in line with potential candidates for employment) was challenging and time consuming. New lessons will continue to emerge as the workforce system continues to adopt and spread these practices to other regions.
- **Identifying trusted “insiders” within aerospace companies** and trade associations is imperative to building credibility. By identifying personnel who can introduce workforce centers to aerospace industry contacts, workforce centers will be able to overcome the trust issues towards WFCs faster and implement strategies easier.

The Aerospace Planning Initiative was a planning grant, and as such lessons were learned, but not necessarily best practices. No ongoing activities or outcomes were anticipated due to the nature of the planning grant; however, foundations were built for a subsequent Implementation grant.

FINANCIAL AND LEVERAGED RESOURCES

The requested \$75,000 was used by PPWFC and Jefferson County WFC to establish workforce center credibility and properly position the workforce system with the aerospace industry as a precursor for later implementation phase goals.

SUSTAINABILITY

Since the Aerospace Planning Initiative was a planning grant it was not intended to be sustaining. However, the credibility and relationship-building established during this phase were meant to sustain an implementation process. Implementation activities building on this research are now underway using H-1B technical training grant funds received by the state of Colorado in 2011.

RECOMMENDATIONS

The aerospace industry is one of a number of industries with a presence across the state. Subsequent to more localized sector initiatives, it will be important to explore ways to meet industry demand across geographic distances and workforce regions while recognizing the unique culture, population and resources of individual regions.

To serve the aerospace industry's needs and to respond to supply chain and workforce issues, it is important to explore the possibility of a broader multi-region initiative to maximize the potential impact of the sector approach. In addition, policy changes could increase the alignment of workforce centers with one another so they can better serve industries and workforce needs.

ABOUT

Rutgers University's School of Management and Labor Relations (SMLR) is the leading source of expertise on the world of work, building effective and sustainable organizations, and the changing employment relationship. The school is comprised of two departments—one focused on all aspects of strategic human resource management and the other dedicated to the social science specialties related to labor studies and employment relations. In addition, SMLR provides many continuing education and certificate programs taught by world-class researchers and expert practitioners. For more information, visit www.smlr.rutgers.edu

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APPENDIX A

List of Aerospace Planning Initiative Partners

- Pikes Peak Workforce Center
- Jefferson Workforce Center
- Colorado Springs Chamber of Commerce
- Colorado Springs Regional Economic Development Corporation
- Colorado Procurement Technical Assistance Center (PTAC)
- Jefferson County Economic Council
- Colorado Association for Manufacturing and Technology (CAMT)