BUSINESS NEED

NW Minnesota is unlike any other region in the state. Manufacturing dominates our economy and with the recent flooding activity in the past 5 years our challenges in Roseau and Lake of the Woods counties have in some ways even differentiated counties within the region. Roseau, Lake of the Woods and Polk counties in NW Minnesota have had to deal with infrastructure, housing, business and school impacts due to flood damage. Some people have left the area, existing employees have had to take on new responsibilities and businesses and communities have had to use resources planned for growth to instead rebuild.

Roseau and Lake of the Woods counties cannot grow a workforce in the same way or with the same skill sets that other parts of Minnesota might. There is no higher education institution located in the counties. The region is located at the Canadian border with a labor force that draws from a population often not even training or tracked through traditional Minnesota systems.

Marvin Windows and Doors has seen the value of increasing core product skills in their wood processing division. Whether their employees are new or veterans for many years, the company as a whole has opened its eyes to the competitive edge core product knowledge can bring. For this reason the Assembly division is now looking to increase its core skills; and, Polaris and ANI are as well. All three manufacturers, in partnership with the NW Minnesota Manufacturing Association and the NWPIC also see the value in sharing this curriculum with all levels of education partners. They've stumbled on a capacity issue that could be affecting companies everywhere.

Our best paying jobs REQUIRE on the job or apprenticeship training; and, worst of all, the perception of manufacturing jobs locally and nationally is incorrect. All of these add up to a need for these ttw3o counties to build a different:"workforce pipeline" than traditional approaches offer. There is a need to work closely with K-12 schools and higher education, provide opportunities for education faculty and student to interact with businesses, increase core product knowledge and skills and align local resources to support long term workforce development strategies. This is exactly what this proposal intends to do.

CURRENT OCCUPATIONAL ENVIRONMENT

While unemployment is a problem for most of the nation, in NW Minnesota it is virtually nonexistent. Companies here have a very hard time finding adequately skilled workers. Demand is higher than they can supply. This project will train 400 Manufacturing Production workers whose primary responsibility is assembly of manufacturing products.

According to the Minnesota Employment Review, March 2006 & 2007 issues, manufacturing is especially important to NW Minnesota as it represents 17.3% of total regional employment and 23.2% of payroll.

> "As of fourth quarter 2006 there were 477 production-related job openings. This level is essentially unchanged from the same quarter in 2003 though it is a 38% improvement from 2005. It seems to indicate that employers are having the same level of ease or

difficulty in finding workers as three years ago. Hiring difficulties can intensity, however, in occupations requiring specific skills or higher education requirements. An issue potentially bigger than employment growth could be job replacement - job openings becoming available because of retirement, workers switching occupations, or other forms of employee attrition. With an aging population the region is likely to feel the retirement component most acutely."

Major employers in Roseau and Lake of the Woods counties are experiencing similar challenges.

- Compensation for the same basic labor pool and it is shrinking.
- Experiencing some of the same accessibility challenges by being located in a rural area.
- All have to provide training for their workers, whether their new employees have had formal training or not.
- All struggle with the misperceptions the population at large has about working in a manufacturing environment (i.e., low pay, monotonous work, no career opportunities)
- All need to increase the skill levels of existing employees as well as new employees to be able to globally compete.

Companies spend millions of dollars each year on inventor, facilities and equipment improvements; yet, 80% of most production costs are in….people. IF manufacturers could realize even 1% more productivity from their workers, 1% fewer rejected products; or, 1% reduction in scrap, what would it be worth? Millions.

This adds up to a need to educated people about manufacturing opportunities; to dispel the myths about manufacturing; and, to work on developing core skills needed to be successful in manufacturing positions for both new workers and incumbent workers.

If you look at manufacturing occupations for this region on the 2008 MnCareers Supplement, you'll see they represent high demand, offer high pay and are projected to stay that way. You can also see why this region needs to get the word out that there are opportunities for great careers. Kids don't have to leave the area; incumbent workers can move up the ladder with a boost in core skills; and, the businesses will continue to need a steady, educated labor supply well into the future. Also note, the charts provided by the 2008 MnCareers Supplement specify where these occupations primarily get their education. Of the 7 careers that made the list as high demand/high pay, 6 of them receive their education primarily at a company site.

INDUSTRY NEED

The geographic region we're concentrating on Roseau and Lake of the Woods Counties. The region was identified by initially looking at workforce availability and manufacturing companies located in the area. It also is taking into consideration recent flood and tornado damage which has had an economic impact unique to this area. All of the major employers in these counties have some employees who commute up to 100 mile one way. This means recruiting or locally growing employees requires all employers be connected with schools, economic development and employment resources from multiple counties.

From an occupational perspective, the northwest region has a strong manufacturing base and is projected to continue to grow. According to the Northwest Region of Minnesota 2008 MnCareers Supplement, “In Northwest Minnesota 26% of all jobs are in manufacturing. That’s compared to only 14% statewide. And employment in manufacturing is increasing in Northwest Minnesota (by 3% between 2003 and 2006) while in the rest of the state it dropped 13%. It means your chances of finding a job in manufacturing are better here than in other parts of the state.”

The average median wage across these occupations is $15.14. The low end is $9.40 and the high end is $19.90. Likewise, there are many engineering opportunities (45) where wages start at $18.70; have a median of $26.60 and at the high end receive $37.90!

Within northwest Minnesota are pockets that have been deeply impacted by recent flooding. Roseau and Lake of the Woods counties represent one of those pockets. Flood damage has affected housing, the schools, the businesses and the people. It has set these counties apart from the rest of the northwest corner on many issues as they continue to rebuild their communities. In some cases employees have left the area and left the existing workforce to take on new responsibilities. In addition businesses continue to look for more employees to fill in the gaps and to support company growth. All of the schools and businesses in this region particularly understand the need and challenges in maintaining a strong workforce pipeline. This is why they’ve come together to propose this project.

There is a fundamental reality growing in rural Minnesota: the workforce as a whole is aging and companies aren’t prepared for the projected level attrition. Industry needs to bring older workers together with younger workers. This knowledge transfer is particularly critical in manufacturing product and technical content as well as instilling leadership abilities in work groups. The bottom line is Minnesota needs a rural workforce succession model that provides a tangible means for knowledge transfer. This model can then be applied in other companies as well as shared with colleges and universities to continually improve apprenticeship efforts.

EDUCATIONAL INSTITUTION NEED

Schools, both K-12, and higher education, need to work with businesses. The need ongoing relationships because they depend heavily on each other. Teachers need continuing education and examples for their classrooms. Businesses need students to see the opportunities manufacturing careers can provide. We are not in the Industrial Age ay more, but unfortunately, many people still have perceptions about manufacturing work from that period. This project provides a long overdue opportunity for a seamless approach between education and industry.

REQUEST FOR ASSISTANCE

Although the Northwest Minnesota Manufacturing Association includes all of the major employers, on thing we’ve learned is that none of us can reach our goals alone. In fact, all successful organizations have learned partnerships are an integral part of their success. Education needs business and business needs education for each to grow; and, we all need support from the Special Incumbent Worker program to make these activities a reality.

MANUFACTURING FIRST!
PROJECT GOAL & OBJECTIVES

1. Change the general perceptions regarding work in a manufacturing environment.

2. Develop an integrated strategy for workforce development, economic development and education based on business and industry needs by:

The project objectives are to:

A. Creating a model to increase regional workforce availability for northern MN companies in manufacturing using best practices.

B. Providing meaningful opportunities for trainees to interact with businesses and attain new skills.

C. Aligning resources to support long term workforce development strategies with key stakeholders using a high level of collaboration amongst educational institutions and alignment with the Manufacturing Center of Excellence.

Our project builds on previously funded DEED and Governor's Workforce Development Council work including the Marvin Windows and Doors Wood Processing Project and the Math Works! project.

The Wood Processing Project has created a succession planning model for workforce groups in manufacturing. Math Works! was all about creating meaningful connections between industry, education, and economic development to support a workforce pipeline. This project proposes to take what we've learned from these projects into a training effort region wide. Best practices from all have been incorporated into this project's design including:

- Always keep industry needs in the forefront to keep relevancy in an integrated effort
- Work with both a core team and a larger group to facilitate decision making and implementation of field activities such as needs assessment
- Communicate and share lessons learned in the upfront design of activities
- Conduct "pilots" with a clear method to communicate what works and what doesn't
- Set up a mentor network to support "growth" activities such as development of small businesses or entrepreneurs
- Build a pathway and interactions between

Expected Project Results: The following results are expected from this project.

- Workforce Development Model
- Changed perceptions about manufacturing as an industry
- More interaction between K-12, higher education and local businesses
- Trained participants, teachers and manufacturing employees alike
- Trainees with new skills in manufacturing
- Trained teachers who can use manufacturing work applications as examples in the classroom and mentors for other faculty

TRAINING PROGRAM DEVELOPMENT

There are 3 major components to this proposed project:

1. Creating a Model using best practices
2. Providing meaningful training opportunities
3. Aligning resources for sustainability and career growth

CREATING A MODEL

To expand the succession planning model previously built in the Marvin Windows and Doors project, curriculum in core product knowledge areas (wood pharmaceuticals and recreational vehicles/metal working) will be created. This is done by defining:

- Training Program Goals
- Core Training Topics