Best Practices in Talent Strategies
How to Identify Approaches that Will Work for Your Region
July 18, 2019

TODAY’S AGENDA
TODAY’S AGENDA
What to expect

• Overview of Ady’s Original Research Initiative on Talent
• US and Regional Workforce Trends
• Talent Strategy Framework
• Best Practices in Talent Strategies
• Key Takeaways and Final Thoughts

ABOUT ADY ADVANTAGE
**ADY ADVANTAGE AREAS OF EXPERTISE**

*Our Value Proposition*

- Understand what makes a community/region a good “fit” for a business
- Understand what makes a business a good “fit” for a community/region

**THE ADY ADVANTAGE ECOSYSTEM**

- Site Selector’s Perspective
- Community’s Perspective
ADY ADVANTAGE AREAS OF EXPERTISE

Issues We Help EDOs Address

REPRESENTATIVE AREAS OF EXPERTISE
Strategic issue requiring a mix of research, competitive positioning and marketing.
- How do we develop an industrial site, from feasibility through marketing of the site?
- How do we create a strategy for our location based on Quality of Place?
- How do we proactively go after prospects?
- How do we identify and address our talent issues?
- How do we improve our success rate with RFIs?

RESEARCH
Gathering and analyzing data to support decision-making.
- Talent-led target industry analyses
- Economic Development strategic plans
- Research among site location decision makers
- And more

COMPETITIVE POSITIONING
How do we zero in on our strongest positioning and express it?
- Asset mapping
- Positioning platforms for talent and industry
- Logo and brand standards
- And more

MARKETING COMMUNICATIONS
How do we communicate with decision makers about our area?
- Marketing plans
- Websites, social media, PR
- Marketing campaigns and lead generation
- And more
OVERVIEW OF ADY'S ORIGINAL RESEARCH ON TALENT

By the early 2010s, through our work with corporate clients, Ady Advantage saw that the availability of talent was going to eclipse other site selection location criteria in importance.

In 2016, we published The Talent Toolbox, which featured a number of case studies of communities that had developed very innovative talent programs.

From that process, we realized that there was not going to be a “silver bullet” to solve the coming talent crisis. Rather, communities were going to need to develop a “portfolio” of talent strategies, uniquely tied to their talent situations, community/regional economic assets, and community/regional goals.

We began building a database of talent strategies from around the country, creating a baseline of about 160 different talent strategies.
ADY ADVANTAGE’S TALENT RESEARCH PROJECT
Original Research for Mid-America Members

To add value to Mid-America ED Council members, we have built from this baseline of work to include:

• Secondary research on national talent trends, identifying unique trends in the Midwest when possible

• An additional 85 talent strategies submitted by Mid-America EDC members via an online survey

• An analysis of those 85 talent strategies to identify trends and themes from Mid-America talent strategies

• The selection of 10 finalists to conduct video interviews with and then chose four winners of Ady Advantage’s Talent Strategy Best Practice Study

US AND REGIONAL WORKFORCE TRENDS
US AND REGIONAL WORKFORCE TRENDS
Scope and Definitions

• Mid-America EDC Region is a 12-state region spanning from Ohio to Wyoming

Important Definitions in this Presentation
• Labor Force Participation Rate: Percentage of the population in the age group of 16-64 currently employed or seeking employment.
• Multifactor Productivity: Measure of economic performance comparing the amount of output to the combined inputs used to produce those goods and services.
• Automation: Potential for a current job or task to be automated.
• Alternative Worker: Contractor, Freelancer, Gig Worker, or Crowd Worker

Baseline Labor Force – US Population

• Population is currently 328 million.
• Population growth has slowed.
US AND REGIONAL WORKFORCE TRENDS
Baseline Labor Force - Participation

- Labor force participation is currently 162 million people.
- Labor force participation rate has fallen consistently since its peak in the 1990s, pulled down by lower labor force participation among those aged 16 to 19 years old, as shown by the black line below.

![Graph showing labor force participation over time](source: Bureau of Labor Statistics, Monthly Labor Review, July 2018)

US AND REGIONAL WORKFORCE TRENDS
Baseline Labor Force - Productivity

- Productivity has generally been negative over the past 15 years, exacerbating the declining labor force participation rate.

![Graph showing productivities over time](source: Bureau of Labor Statistics, Monthly Labor Review, July 2018)
US AND REGIONAL WORKFORCE TRENDS
Baseline Labor Force – Automation

• Potential for automation exists in almost every industry today to varying degrees.

US AND REGIONAL WORKFORCE TRENDS
Baseline Labor Force – Alternative Work Arrangements

• Alternative work arrangements are on the rise.

ALTERNATIVE WORK ARRANGEMENTS ARE ON THE RISE
Respondents expect a substantial increase in their organizations’ use of contractors, freelancers, and gig workers over the next two years.

Figure 1. Anticipated use of each labor type in 2020 relative to today

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US AND REGIONAL WORKFORCE TRENDS
Labor Force Dynamics Framework

Inflow

- Driven by population growth and birthrate, both of which have fallen.
US AND REGIONAL WORKFORCE TRENDS

Inflow

- Driven by population growth and birthrate, both of which have fallen.


US AND REGIONAL WORKFORCE TRENDS

Inflow - Immigration

- The total number and population share of immigrants into the country has grown steadily since the 1970’s.
- Since 2000, however, their population share increase has slowed down and begun to level off.
- Technology companies are some of the most common using visas to fulfill employment needs.
  - Currently, there is uncertainty about immigration policies, and visas are becoming harder to obtain.

[^3] Source: Migration Policy, May 2019
The largest source of decline in labor force population stems from the Baby Boomer generation retiring.
Currently, an average of 10,000 people retire each day.
# US AND REGIONAL WORKFORCE TRENDS

## Key Takeaways

- The talent shortage is here to stay.
- Retention of talent should be a priority before recruiting talent.
- The most likely “wild cards” for providing a step change to the US labor force base are automation and skills gaps. Either one could result in a negative and/or a positive change.
- Rebounding from a decline in productivity most likely will require a concerted effort to marry automation and labor together to maximize effectiveness.
- It is likely that employers will continue to invest in reskilling current employees.

## Outflow - Migration

Migration has put a strain on population growth in the states that are part of the Mid-America ED Council.

The net migration (not counting international immigration) of these states since 2005 has been a negative 2.1 million people.

Seven of the 12 states in the Mid-America region have had a negative net migration since 2005.

### Overall State Migration in Each Mid-America State

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TALENT STRATEGIES FRAMEWORK

Database of Talent Strategy Best Practices

Comprehensive, proprietary database of over 300 successful talent strategies from across the country in rural and metropolitan areas.
TALENT STRATEGIES FRAMEWORK
Fundamental Types of Talent Strategies

- As with business development, there are three “legs of the stool” regarding talent development.

RETENTION AND DEVELOPMENT

ATTRACTION

ALTERNATIVES

Who is the audience being addressed?

- Talent development strategies can also be thought of in terms of who their target audience is, whether inwardly focused or outwardly focused.

Internal Audience Focused

External Audience Focused
TALENT STRATEGIES FRAMEWORK
What is the core need being addressed? Sub-Strategies

Talent development & retention and talent attraction can be categorized further into four “sub-strategy” types:

- **Creating opportunities for talent** are those strategies that seek to offer development and growth opportunities for talent.

- **Removing barriers for talent** are those strategies that seek to make it easier for talent to participate in your workforce, both those as they relate to relocation barriers for outside talent and barriers for underemployed and unemployed talent already in the community.

- **Marketing and awareness for talent** are those strategies that seek to promote living and working in your community and increasing the awareness of opportunities within your community, both to internal and external audiences.

- **Improving the environment for talent** are those strategies that seek to enhance the quality of place in your community, both as they relate to the overall aesthetics of the community and how well it creates a sense of belonging for its community members.

Each of these four sub-strategies can come in variations that apply to both talent development & retention and talent attraction, depending on the audience the strategy seeks to reach (i.e.: internal talent or external talent).

### Talent Sub-Strategy Examples

<table>
<thead>
<tr>
<th>Talent Sub-Strategy</th>
<th>Talent Retention &amp; Development (Internal AudienceFocused)</th>
<th>Talent Attraction (External Audience Focused)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating Opportunities</td>
<td>• On-the-job training</td>
<td>• On-the-job training</td>
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<td>• Entrepreneurship programs</td>
<td>• Entrepreneurship programs</td>
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<td>• Apprenticeship programs</td>
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<td>• College scholarships</td>
<td>• College scholarships</td>
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<tr>
<td>Removing Barriers</td>
<td>• Hiring ex-offenders</td>
<td>• Trailing spouse assistance</td>
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<td></td>
<td>• Student loan repayment programs</td>
<td>• Immigration relocation assistance</td>
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<td></td>
<td>• Transportation infrastructure</td>
<td>• Transportation infrastructure</td>
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<tr>
<td></td>
<td>• Childcare assistance</td>
<td>• Childcare assistance</td>
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<tr>
<td></td>
<td>• Affordable housing</td>
<td>• Affordable housing</td>
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<tr>
<td>Marketing and Awareness</td>
<td>• Career fairs</td>
<td>• Marketing campaigns</td>
</tr>
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<td></td>
<td>• Company tours</td>
<td>• Community branding</td>
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<td></td>
<td>• Educating parents</td>
<td>• Community websites</td>
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<tr>
<td>Improving the Environment</td>
<td>• Retiree population outreach</td>
<td>• Retiree population outreach</td>
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<td></td>
<td>• Minority population outreach</td>
<td>• Minority population outreach</td>
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<td>• Young professional organizations</td>
<td>• Young professional organizations</td>
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<td></td>
<td>• Placemaking efforts (parks, bike trails, dog parks, lakefronts, etc.)</td>
<td>• Placemaking efforts (parks, bike trails, dog parks, lakefronts, etc.)</td>
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</tbody>
</table>
Methodology

- Screening process to narrow 85 strategies to Top 10.
  - Completeness
  - Success measures
  - Uniqueness of initiative
  - Etc.

- Conducted video interviews with 10 finalists.

- Chose four finalists to represent best practices, shown on the following slides in alphabetical order.
**BEST PRACTICES IN TALENT STRATEGIES**

Finalists

**HENDRICKS COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP (IN)**

Hendricks Logistics Sector Partnership

- **Description**: A state-funded program, through the Skill Up Indiana! Round 3 grant program. Provides training and education to employers and individuals in the Supply Chain industry. Dollars can be used for a variety of training and education, from certifications in leadership to a full degree in Supply Chain.

- **Types of Talent Strategy**: Creating Opportunities, Removing Barriers

- **Specific Talent Issue Addressed**: Skills gap in entry-level positions and middle management leadership. Community-wide lack of understanding of the Supply Chain industry as it currently stands, as well as the future of jobs in the industry due to automation and technology improvements and changes.

- **Partners Included**: Employers, educational institutions, workforce development, local ED partners, chambers, Work One, marketing consultants and other.

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**HUTCHINSON ECONOMIC DEVELOPMENT AUTHORITY (MN)**

TigerPath

- **Description**: A six-strategy approach for changing the “college for all” mentality: 1) Realigning high school education, 2) Build seamless educational pathways, 3) Change outdated stereotypes about manufacturing, 4) Build school-employer relationships, 5) Upgrade technical education facilities, and 6) Launch Tiger Manufacturing

- **Types of Talent Strategy**: Creating Opportunities, Marketing and Awareness

- **Specific Talent Issue Addressed**: TigerPath addresses the “market failure” between what the education system is producing and the actual needs of the job market. America’s educational system is producing a massive oversupply of bachelor’s prepared workers while the labor market is demanding technically prepared workers. TigerPath promotes and facilitates the creation of more technically trained workers and fewer bachelor’s prepared workers.

- **Partners Included**: Employers, educational institutions, workforce development, and local ED partners.
MICHIGAN CITY ECONOMIC DEVELOPMENT CORPORATION (IN)

Promise Scholarship

- **Description:** As students attend Michigan City Area Schools, they become eligible for scholarships to use for attending regionally accredited colleges, universities, post-secondary educational programs or vocational school in the state of Indiana. Eligibility requirements include the student living with a parent in owner-occupied home in the city and 40 hours of community service.
- **Types of Talent Strategy:** Creating Opportunities, Removing Barriers, Improving the Environment
- **Specific Talent Issue Addressed:** This specifically addressed the convention that Indiana is a “training state”, where people get their education then leave to live somewhere else. It helps Michigan City keep their families, attract more families, and get students involved and ingrained in the community.
- **Partners Included:** Employers, educational institutions, and workforce development.

PERRY COUNTY DEVELOPMENT CORPORATION (IN)

Pick Perry Campaign

- **Description:** A centralized community marketing and branding campaign that provides residents an outlet to express their love for their communities and build pride. This initiative involved re-branding the community and combining the CVB, Chamber and LEDO websites into one to push a centralized message and narrative around Perry County.
- **Types of Talent Strategy:** Marketing and Awareness, Improving the Environment
- **Specific Talent Issue Addressed:** The campaign addresses the “why would anyone want to live here” mentality that rural areas often suffer from. As a result, the community and its residents often have a poor self image and lackluster community pride, which this campaign helps to combat. It is also beginning to help attract former and new residents to the area.
- **Partners Included:** Employers, educational institutions, utility companies, local ED partners, and other.
Best Practice #1: Evidence-Based Strategy

Hendricks County Economic Development Partnership (IN)
Hendricks Logistics Sector Partnership – Lora Steele

- Strategies should be evidence-based and include input from employers.
- The Hendricks Logistics Sector Partnership was born out of demand and feedback from employers working with the Hendricks County Economic Development Partnership.
- The Economic Development Partnership works closely with the Hendricks college network and employers within the county, making a natural pairing to address the need.
Best Practice #2

Talent retention should be a priority. Keeping a community’s own workforce will likely result in the greatest net employee numbers, and also serve as your community’s best defense against other communities’ talent recruitment programs.

Michigan City, IN

Promise Scholarship – Clarence Hulse

• Talent retention should be a priority. Keeping a community’s own workforce will likely result in the greatest net employee numbers, and serve as your community’s best defense against other communities’ talent recruitment programs.

• Michigan City made it clear to the community that the number one priority of this initiative was to retain the talent of the community.

• A key strategy retention is the requirement of 40 hours of volunteer work
  • Encourages students to get a job in the community.
  • Results in more student involvement in the community, and a well-rounded citizen at the end of the day.
Best Practices in Talent Strategies

Best Practice #3

Stay on top of trends that change the dynamics of your labor force, such as automation, migration, etc.

Hutchinson Economic Development Authority (MN)
TigerPath – Miles Seppelt

Stay on top of trends that change the dynamics of your labor force, such as automation, migration, etc.

Through regular BRE visits, the need for skilled workforce came up repeatedly.

Average age in many blue-collar workplaces is over 50, employers are asking where the next generation is going to come from.
**Best Practice #4**

- Sustainable programs have buy-in and key success measures to track over time.

**Best Practice #3: Buy-In and Key Success Measures**

**Hendricks County Economic Development Partnership (IN)**

**Hendricks County Logistics Partnership – Lora Steele**

- Sustainable programs have buy-in and key success measures to track over time.
- Hendricks Partnership has goals set by themselves and the Indiana Department of Workforce Development.
  - Provide quarterly reports on their initiatives, including financials, progress on the initiatives, and progress updates.
- Tracking sheets on everyone who goes through the program:
  - Wages
  - Training completed
  - Training that they desire to complete
BEST PRACTICES IN TALENT STRATEGIES

Best Practice #5

• Marketing and awareness of your program is critical to the success and utilization of the program. This includes to both internal and external audiences.

Perry County Development Corporation (IN)

Pick Perry Campaign – Erin Emerson

• Marketing and awareness of your program is critical to the success and utilization of the program. This includes to both internal and external audiences.
• Perry County Development Corporation knew that people both outside and inside the county often thought, "Why Perry County? Who would want to live there?"
• Realized that they could've been their own biggest supporters for a long time, but instead encouraged defeatist attitude.
• Enlisted the help of Ball State and Purdue with Hometown Collaborative initiative
  • Came to the realization that outsiders don’t care whether you belong to the Chamber or Development Corporation
  • Decided to unify the websites and marketing voice of Perry County
KEY TAKEAWAYS AND RECOMMENDATIONS

- The way to address the talent issue is to break it down into specific sub-issues, identify to root causes, and tackle those one by one.
- Retention of talent should be a priority before recruitment initiatives.
- Economic developers should not only expect to be drawn into the talent strategy arena but should stake out a leadership role in this area.
- When developing talent strategies for your region, think in terms of a portfolio of talent strategies that vary by focus, partners, investment (time and money), and timeline.
- Use the concept of talent strategy types to ensure that you are considering all the major options.
- Seek input from employers as you formulate the tactics and details of talent strategies.
- If you do not already have an updated economic development strategic plan that focuses on talent as distinct from the traditional categories of business retention/expansion, business recruitment, and business start-up, develop one.
THANK YOU

Janet Ady
President and CEO
608.663.9218
jady@adyadvantage.com

Ashley Scray
Director of Client Services
608.663.9218
ascray@adyadvantage.com

Blog and newsletter at www.adyadvantage.com