Strategy 5
Table of Contents

Introduction

In Strategies 2, 3, and 4, employer collaboratives went through a structured process to get the facts straight on their talent pipeline needs. Employers in the collaborative are now better prepared to make decisions about how they will address that need and with which partners. Whereas the previous strategies were focused on data collection and preparation, Strategy 5 now uses that data to make decisions on how to build solutions, which can be internal talent pipeline solutions, external, or both.

Strategy 5 explores how employer collaboratives build and manage their talent supply chains to create shared value for employers and their talent sourcing partners, otherwise known as providers.

Specifically, this strategy shows how to use decisions made in Strategy 1 on critical pain points and data collected in Strategies 2, 3, and 4 to make decisions on where to start in building internal and external talent pipelines. It also describes the implications of your decision on whether additional data needs to be collected.

Next, this strategy shows how to identify and work with preferred and trusted partners in co-designing internal or external talent pipeline solutions that address the performance indicators most important to an employer collaborative. This strategy also provides guidance on how an employer collaborative works with its partners to build a **value stream map**, develop **performance scorecards**, and target **incentives** that optimize performance.

Strategy 5 Learning Objectives

1   Determine where to start in building your talent pipeline—internal, external, or both—and understand the ramifications of that decision.

2   Designate preferred providers that make up your talent supply chain.

3   Share employer data with designated preferred providers.

4   Co-design internal and external talent pipelines with preferred providers using a value stream mapping process.

5   Select and develop appropriate performance measures to meet your collaborative's needs.

6   Identify and inventory existing and potential employer incentives to improve supply chain performance.

Strategy 5 Action Plan

	5.1 Exploring Options for Where to Start in Building Talent Pipelines	5.2 Identifying Preferred Providers	5.3 Engaging Your Partners	5.4 Co-Designing Talent Pipelines	TPM Web Tool
ACTIVITIES *Actions taken to achieve desired outcomes*	Review decisions and findings from previous strategies including: • Shared pain points, capacity, willingness, expected impacts, and urgency • Confidence in projected demand • Agreement on competency and credential requirements • Back mapping and talent flow analysis	• Establish process and performance requirements for preferred providers • Establish plan for designation of preferred provider status (management of recognition status, levels, duration) • Identify preferred providers	• Determine approach to engage preferred providers—upskilling/ internal and external, meetings with leadership, educational/ introductory meetings, sharing information, representation at kickoff meeting • Share data with preferred providers • Hear from preferred providers • Agree on next steps and commitments for co-designing talent pipelines	• Identify the major roles or functions played by collaborative members and their partners • Classify roles into tiers • Determine tiers/roles for preferred providers • Determine value-added learning activities and competency outcomes, assessments and demonstrations, at each stage of talent development • Establish key performance measures • Determine incentives that are targeted at each stage of talent development	• Add preferred providers • Add measures to the performance dashboard and collect baseline data • Add roles and activities to the value stream map
MILESTONES *Progress points marking significant development*	• Agreement on where to start	Agreement on: • Preferred provider selection criteria • Preferred provider selection process • Preferred provider designations/list	• Kickoff leadership meeting • Clear commitments made to co-design talent pipelines (e.g., staff time)	Agreement on: • Value stream and curriculum map with roles, tiers, learning activities/outcomes • Performance measures and score cards • Incentives	• Develop performance dashboard • Develop value stream map
OUTPUTS *Achievements resulting from actions*	• Decision made on where to start	• Number and percentage of identified providers earning preferred status (optional: by level)	• Dollar value of staff time allocated Number and percentage of: • Collaborative members and providers attending kick off meeting • Collaborative members and providers committed to co-design talent pipelines	• Dollar value of financial and in-kind incentives Number and percentage of: • Participating providers • Participating collaborative members • Collaborative members providing financial or in-kind incentives	• Performance scorecard demonstrating improvements or opportunities for continuous improvement • Value stream map outlining roles and activities for all partners

Key TPM Terms and Definitions

The following concepts are most critical for understanding and executing Strategy 5. These terms appear in the order in which they are listed below and are highlighted in orange throughout the chapter.

Value Stream Map
A visual tool used to show, in sequence, the major activities and roles that make up a value stream.

Performance Scorecard
A visualization tool used to communicate the major performance indicators that have been prioritized to tell employers and their stakeholders how effective partnerships have been in managing key transition points and achieving intended outcomes.

Incentives
Financial and nonfinancial rewards to recognize results and to support continuous improvement. Financial incentives include anything that has a monetary value, including equipment donations, work-based learning opportunities, and access to staff. Nonfinancial incentives include designations such as preferred provider status that can be marketed by a program or institution for recruitment purposes.

Full Productivity
The point at which an individual has reached expected levels of productivity in a destination job. In TPM, time to full productivity can be tracked as a performance measure to ensure individuals are managing transitions and being effectively onboarded into employment with minimal time lost.

Preferred Providers
Providers of talent sourcing and development services—including education and training providers and staffing organizations—that are recognized by an employer collaborative based on their ability to meet employer requirements, such as ability and proven track record for supplying qualified talent for jobs.

Performance Measures
Quantitative indicators of outcomes that are expressed in terms of rates, ratios, or percentages addressing one or more critical variables, all of which contribute to improved business performance and competitiveness:

- **Quality**, in the context of TPM, refers to whether individuals have the right mix of competencies to successfully perform work for critical business functions and jobs.

- **Time** addresses maximizing efficiency in value-adding activities, reducing time spent in non-value-adding activities (e.g., irrelevant training), and minimizing the wait time between activities or services (e.g., employee training).

- **Cost** refers to the balancing of dollars spent in producing quality outcomes, including the reduction of opportunity costs (e.g., reducing foregone earnings).

Feeder Schools
Education or training providers that are known to transition individuals receiving education or services to another provider before reaching employers. For example, in TPM, Tier 2 providers transition learners to Tier 1 providers.

Leading and Lagging Measures
Leading measures are short-term, intermediate measures (e.g., credential attained) that address actions that are major determinants and predictors of longer-term, bottom-line measures (e.g., reduced onboarding and training costs), otherwise known as lagging measures.

Curriculum Mapping
A process used to provide detailed information about how a learning outcome and/or competency ought to be delivered and assessed and could include examples of it done well.

Value Stream
The process that a product or service goes through from beginning to end, with each step adding incremental value until the product reaches the end customer.

Transition Point
The moment when an individual moves from one program or service to the next, which can occur within or between providers. For example, in TPM, transition points occur when someone moves from a Tier 2 provider, such as a feeder high school, to a Tier 1 provider, such as a university.

Employer Return on Investment
A measure that calculates the returns that employers receive from investments, usually expressed as a ratio of total dollar benefits compared with total dollar costs.

Learning Outcomes
Measurable and observable statements about what a person knows and is able to do that are tied to a curriculum. In TPM, these learning outcomes are aligned to the competency hiring requirements an employer includes in a job description.

Competency Mapping
A process used to determine which learning outcomes relate to which competency hiring requirements, and which providers are responsible for them.

Continuous Improvement
A structured method to improve a process over time. Continuous improvement processes in the business world include Lean Six Sigma and the five-step DMAIC (define, measure, analyze, improve, and control) process, which is used to optimize performance and eliminate waste.

Transition Measures
The key performance measures at each point of transition. A transition measure is a type of leading measure.

Unit 5.1

Exploring Options for Where to Start in Building Talent Pipelines

One of the most important decisions for employer collaboratives is deciding where to start in building talent pipelines. Employer collaboratives have the option of starting at any point along the end-to-end talent pipeline. For example, they could start with building internal pipelines with a focus on upskilling current workers for new roles or for career advancement opportunities. They could also start with building external pipelines and choose to work with their partners to provide better career exploration and pre-employment training to get more qualified job applicants. Or, employer collaboratives could start with both approaches by upskilling current workers in feeder jobs into more advanced positions while simultaneously backfilling those feeder jobs with new hires from external partners.

In many cases, employer collaboratives will have already decided on whether to start pursuing internal or external talent pipelines, or both. Even if this is the case, in TPM we encourage you to get the facts straight first so that your employer collaborative can validate their decision with data on where to start.

Reviewing Decisions and Findings from Previous Strategies

The decision on where to start should be based in part on a review of previous decisions and findings from Strategies 1, 2, 3 and 4. Here are some major considerations:

Strategy 1: Organize Employer Collaboratives

Shared Pain Points: Talent Management Challenges: What were the most important shared pain points your collaborative identified? Were those pain points focused more on upskilling current workers or getting more qualified job applicants and new hires onboarded to **full productivity**?

For example, retail employers may want to improve career progressions and reskill existing workers to improve retention, or a group of manufacturers may use upskilling to facilitate skill attainment and career advancement through an apprenticeship. Another group of employers may want to focus on increasing diversity by sourcing from underutilized external talent providers.

Employer Collaborative Capacity, Willingness, Expected Impacts, and Urgency to Take Action: Where was the greatest capacity and willingness to take action? Was there more capacity and willingness to work on shared pain points for upskilling of current workers or new hires? Where do they see the greatest expected impacts?

How urgent was the need? Did employers need quick results which are more likely with upskilling and short-term pre-employment training and onboarding? Or, are employers willing to explore longer term strategies that could involve expanded career exploration and longer term pre-employment training with trusted partners?

For example, manufacturers may be more willing and able to cooperate first on upskilling current employees through a partnership with one or more providers because they think it will have the largest impacts and produce quicker results. Healthcare employers may be more likely to cooperate on upskilling nurses in urgently needed

specialty areas. Both manufacturing and healthcare collaboratives may then be willing to focus on improving the longer term supply of qualified applicants to address expected growth and/or retirements.

Strategy 2: Engage in Demand Planning

Level and Confidence in Short-term and Long-term Job Openings: Do we have a sufficient level of demand and confidence in our projected job openings to start with building external talent pipelines? Or, should we first focus on internal pipelines to meet our immediate needs and then collect more information about our future needs?

In most cases, employer collaboratives need to be confident that they will have a relatively high level of short-term and long-term job openings to justify putting a lot of time and effort in building external talent pipelines. This will also be necessary to fully engage potential partners wanting to maintain or increase enrollments in education and training programs.

For example, a manufacturing collaborative may decide that they do not have sufficient numbers of projected job openings to start building better external pipelines. Instead, they may decide to focus on upskilling current workers to meet immediate needs and resurvey their members in a year on critical jobs as well as feeder jobs to reconsider whether to move forward on building external pipelines. In contrast, an IT collaborative may decide that they have sufficient numbers of expected job openings to justify focusing on both internal and external pipelines.

Strategy 3: Communicate Competency and Credential Requirements

Agreement on Competency and Credential Requirements and Career Pathways: Do we have sufficient agreement on competency and credential requirements to move forward with building internal and/or external pipelines? Employer collaboratives can work effectively together even if they have differences in their required and preferred competency and credential hiring requirements.

However, the level of agreement on what are the most critical competencies and what are the range of credential requirements have implications for where to start. In most cases, employer collaboratives can focus on upskilling with agreement on only a few critical competencies. However, many times, it will take a higher level of consensus on what are the most important competencies and credentials for building effective external talent pipelines. For employer collaboratives seeking to build both internal and external pipelines, there will need to be some level of agreement on career pathways and the relationships between competencies for jobs in those pathways, whether feeder jobs or critical jobs.

For example, a manufacturing collaborative may decide that they have sufficient agreement on a few competencies that could be the basis for collaborating on short-term upskilling of current machining technicians but not sufficient agreement on the full range of competencies and credentials for building external talent pipelines. They could agree to start with upskilling and then resurvey members on competencies and credentials after members have had sufficient time to reconsider their requirements based on conversations with other employer collaborative members. In contrast, a healthcare collaborative could decide they have sufficient consensus to move forward on internal and external pipelines for medical assistants and surgical technologists.

Best Opportunities to Improve Talent Flows: The collaborative should review the results of its back mapping and talent flow analysis conducted in Strategy 4 for internal talent pipelines or external talent pipelines, or both. Where are the best opportunities to improve talent flows to address the critical pain points?

For example, a manufacturing collaborative could see the best opportunities to improve talent flows from internal sources to fill machining technician jobs because of the total number of people in the most common feeder jobs—machine operators. Collaborative members also could decide to further explore untapped sources of talent for machine operators from community-based organizations that provide job training that they identified as effective. In contrast, an IT collaborative could see their best opportunities to improve diversity for network administrators as well as help desk technicians—a major feeder job— by expanding flows from two community colleges and a community-based organization.

Additional Considerations

Remember to Get the Facts Straight Before Taking Action: In reviewing these options on where to start, it is important to consider whether an employer collaborative has sufficient data to take action. Employer collaboratives may need to revisit previous strategies in order to collect data needed to move forward successfully with building a talent supply chain solution with partners.

In some cases, employer collaboratives may want to go back and reconsider the highest priority pain points (Strategy 1). They may want to add the most important feeder jobs identified in talent flow analysis (Strategy 4) to their demand planning survey (Strategy 2). They could decide to revisit their competency and credential requirement data (Strategy 3) to improve the alignment between critical and feeder jobs in their chosen career pathways. They may want to go back and improve their talent flow analysis by working with other data partners to show talent flows from underutilized providers (Strategy 4).

Emphasize the Need for a Comprehensive End-to-End Approach, Regardless of Where You Choose to Start: In reviewing these options on where to start, it is important to remember that the TPM framework provides a comprehensive end-to-end approach for building both internal and external talent pipelines. And, it is important to make sure that wherever you start, you are always taking actions consistent with this comprehensive pipeline methodology.

For example, if you start with upskilling and expanding career pathways for existing entry-level workers, then you may want to make sure that these entry-level jobs can be easily backfilled with qualified new hires from existing or new talent sourcing partners. In addition, if you focus on new hires, you may want to make sure that existing employees have the opportunity to meet the same skill and credential requirements that are included for new hires. In most cases, employers will need to eventually incorporate both upskilling and new hire strategies to be successful in the long run.

Deciding Where to Start Exercise

This exercise demonstrates key factors to consider as a collaborative determines where to start building their talent supply chains with internal talent pipelines, external, or both.

A manufacturing collaborative made up of 10 companies has chosen to focus on engineers and CNC machinists as their focus area. For engineers, the pain point they want to address is reducing time to fill open jobs with qualified job candidates. For CNC machinists the pain point to address is increasing the number of qualified job applicants and improving retention. The collaborative members have just completed a needs assessment survey (Strategies 2 and 3) and talent flow analysis survey (Strategy 4) and are in the process of reviewing the results and deciding where to start with internal talent pipelines, external, or both.

For engineers, the level of demand came out lower than expected in large part due to a wave of retirements that is anticipated to begin in two years. Even though the numbers are lower than expected, the collaborative decided it was still a critical long-term need and given longer lead times needed to prepare qualified engineers, it would not be wise to put off building a solution. When they reviewed their back mapping data they found that they consistently got their best engineers from a nearby private university and a larger public university, both of which have excess capacity that can meet their long-term need. Other qualified engineers usually came from other employers, both within and outside their geographic area.

For CNC machinists, the need was both urgent and large. The collaborative's demand planning showed the need for a significant number of new CNC machinists over the next two years. When the collaborative reviewed their talent flow data they found that those CNC machinists that they were able to retain at higher levels usually came from within their own companies with a majority of them coming from two entry-level production positions. When the collaborative members compared the competency-based hiring requirements for the production positions and CNC machinists, it became clear they could be more intentional about providing career advancement opportunities to their production workers. When looking at their internal pipeline capacity, however, the collaborative members did notice that meeting their CNC machinists demand could cut into their supply of workers for their two entry-level feeder positions.

After reviewing the exercise, discuss the following:

1 Based on the data gathered through the previous TPM strategies, would you recommend the collaborative pursue an internal talent pipeline, external, both, or neither for engineers? What about for CNC machinists?

2 Based on your decision, will the collaborative need any additional data before moving forward?

Unit 5.2

Identifying Preferred Providers

After making a decision on where to start, employer collaboratives should then decide on an approach for identifying **preferred providers**, whether for internal or external pipelines, or both. Beginning with where companies have historically sourced talent from (Strategy 4) and ascertaining their ability to meet your projected demand in the future, collaboratives can begin to make qualitative decisions about who they will work with to meet their talent needs now and in the future.

The most important incentive collaboratives can offer in the TPM process is designating or recognizing an education or training provider as a "preferred" provider of talent to their member companies, based on its past or anticipated ability to produce results. We define providers as those organizations that offer any education, training, or related support services (with learning objectives, activities, resource materials, and related supports that improve persistence and completion) provided predominantly through classroom experiences, work-based learning, or counseling. Providers can also offer related services, such as recruitment, orientation, assessment, screening, scheduling, advising, and other support services that might impact performance, including quality, cost, and time.

In managing supply chains, businesses have established standards and recognition systems to identify and improve suppliers that provide them materials and services. However, the business community has yet to set standards and develop a recognition process for education and training providers that supply businesses with talent.[1]

The preferred provider incentive is the foundation used to target other financial incentives, such as internships, equipment donations, or support services (e.g., career guidance), which can improve performance in the talent supply chain and contribute toward a stronger ROI for employers. But, employers in the collaborative must first designate which providers are eligible to receive their incentives.

When a collaborative comes together to establish the criteria necessary to earn preferred provider status, it effectively creates an employer-led quality assurance system that complements public sector-driven accreditation and accountability systems. Having this type of market signaling in place can also activate new incentives, such as better financing tools for preferred providers.

When organized effectively, a preferred provider designation can be a highly sought-after incentive by education and training providers that wish to demonstrate that they have a validated special relationship with employers. This can improve recruitment of learners into programs and contribute significantly toward getting those learners quality employment outcomes.

[1] To learn more about the global International Organization for Standardization system (commonly referred to as ISO) quality management standards that provide the foundation for supplier certification, read the following publications: Robert Sheets and Jason A. Tyszko, Changing the Debate on Quality Assurance in Higher Education: The Case for Employer Leadership and a Roadmap for Change (Washington, D.C.: U.S. Chamber of Commerce Foundation, 2015). Jason A. Tyszko (2017) Employer-led Quality Assurance, Change: The Magazine of Higher Learning, 49:1, 26-33. Gardner Carrick, Robert Sheets, and Jason A. Tyszko, Quality Pathways: Employer Leadership in Earn and Learn Opportunities (Washington, D.C.: U.S. Chamber of Commerce Foundation, 2018).

Considerations When Identifying Preferred Providers

Employer collaboratives should consider the following when selecting and designating preferred providers:

- **Internal and/or External Talent Pipelines:** Will the focus of designating preferred providers be for internal talent pipelines, external, or both? For internal, the focus will be on those providers offering value-added training, coaching, or support services for upskilling pathways. For external, the focus will be on tiers (see below).

- **Collaborative or Employer-Specific Designation:** Will the collaborative manage the recognition process and provide the endorsement? Will it manage a process that enables its employer members to make endorsements? Or will it do both?

- **Current or Potential Providers:** The collaborative can narrow its list to those providers that it previously identified through the activities detailed in Strategy 4 and back mapping, or it can expand the review to include potential talent providers that no company has recruited from to date.

- **Tiers:** For external pipelines, will the preferred provider designation go only to Tier 1 providers—one step removed from employment? Or will it extend to Tier 2 providers and beyond to tier feeder programs as well?

- **Time:** How long will the designation last and will current preferred providers be expected to maintain their designation based on time intervals?

- **Provisional or Designated Status:** Will the collaborative provide a provisional status for a preferred provider or fully designate them as preferred from the beginning? Some collaboratives may choose to use a provisional status to identify who they plan to work with but not fully recognize them as preferred until after the successful completion of the co-design process or until performance data has been collected and reviewed.

The Process and Criteria for Designating Preferred Providers

When identifying preferred providers, employer collaboratives will also want to be clear on the process and performance requirements for attaining such a designation. The criteria should be clear so providers understand either why they were identified as a preferred provider or how they can demonstrate or share evidence that they should be considered for such a designation. Your employer collaborative should establish clear criteria for recognizing one or more preferred providers and make this information publicly available to avoid any confusion.

When setting this criteria, your employer collaborative should consider a mix of process and performance requirements or goals, such as how the provider uses employer inputs (e.g., employer-specified competencies or credentials), how responsive or adaptive they are to changing workforce needs, or their proven ability to deliver a quality workforce on time and at the preparation level that meets employer needs.

An additional consideration is whether employers should have one or more levels of recognition. Collaboratives that seek to establish multiple levels of recognition will need to be clear on how a provider can attain one or more levels of recognition. For example, a collaborative can set foundational requirements for providers—such as the ability to integrate industry recognized credentials—while employer members can set more advanced requirements based on their particular talent needs, such as actual hires

Employer collaboratives should use the results from their talent flow analysis in Strategy 4 to review the performance of current talent sourcing partners. This includes internal upskilling pathways (i.e., job-to-job flows) and external hires. Employer collaboratives should then identify other potential providers including those that may be untapped partners for addressing their most important pain points. For example, an employer collaborative could explore other providers that may allow them to address diversity goals.

An employer collaborative may wish to openly engage all current and potential providers in the talent pipeline building process and let them make their case for playing different roles at different tiers, and then designate those providers during or after the process. This approach could use a Request for Information (RFI) that seeks to gather input from potential providers on criteria to be used and what information they can provide to address these criteria. This approach may be beneficial when you have no established partnerships and many potential providers, and there is a need to learn more about potential partners.

Employer collaboratives also could use a formal Request for Proposal (RFP) that provides a more structured way to evaluate and compare the potential strengths and weaknesses of different partners. This can be done by invitation or as an open process. It can also be repeated to bring new providers into your talent supply chain or to reevaluate the commitment of existing preferred providers.

In both cases—RFI and RFP—your collaborative will need to make clear your criteria for designating preferred providers. The criteria is ultimately determined by the collaborative itself, but can include a mix of process, performance, and commitment requirements. Consideration when setting criteria should include:

- **Past Performance:** How have providers performed in the past in playing the desired role in the talent pipeline and addressing employer pain points?

- **Capabilities and Expertise:** Do providers have the necessary capabilities (e.g., programs, equipment) and expertise (e.g., qualified instructors) for playing one or more roles in the talent pipeline?

- **Leadership Commitment:** Do providers have the leadership commitment to play the desired roles and co-design talent pipelines?

Avoiding Unintended Consequences

Regardless of the approach taken, employer collaboratives should be cognizant of potential unintended consequences to avoid when identifying or designating preferred providers. Examples include the following:

- **Partner Lock-In:** Employer collaboratives should be mindful of maintaining their leverage with preferred providers by always having opportunities to work with other potential sources of talent. Collaboratives should always preserve choice in who they can work with in order to maintain the responsiveness and flexibility that their talent supply chain requires. This applies to providers for external talent pipelines as well as those that are providing value-added training or support services for internal pipelines.

- **Restricted Access to Talent:** Talent supply chains should not be rigid in that they restrict access to other sources of qualified talent. Employers should be open to all qualified talent but ought to be proactive in sourcing from preferred partners that have demonstrated the responsiveness and flexibility required to fill their need. In addition, when building career pathways for new hires coming from external providers, employers should be mindful to not restrict career advancement opportunities for existing workers. Employers have a better chance of achieving a positive ROI when leveraging a comprehensive talent strategy that balances external and internal talent pipelines.

- **Community Reputation:** Designating preferred providers does not come without risk to reputation and brand. There is a risk that employers may be labeled as bad partners to education and training providers and might be characterized as cutting out certain providers. These risks should be avoided by always being open and transparent about what the collaborative is trying to accomplish and the requirements for being designated a preferred provider. Make sure to always allow for adjustments over time based on the ability of new providers to demonstrate that they can meet the collaborative's needs.

- **Coordination Problems:** When employers and collaboratives are pursuing both internal and external talent pipelines, respective designated preferred providers should be coordinating their efforts to ensure there is no disconnect, inefficiencies, or redundancy in developing streamlined, equitable talent pipelines for new and current workers.

Being designated a preferred provider will be very important to most talent providers in any community, especially publicly funded providers that have a mission to address employer needs. As a result, employer collaboratives should manage this process in ways that build acceptance and trust with existing and future providers in their communities. This is especially relevant to providers already involved as partners in established public-private partnerships (see Strategy 1) and those that may even be members of chambers of commerce and economic development organizations that are playing the function of host organization.

Exercise 2

Designating Preferred Providers Exercise

This exercise highlights different talent providers that are in consideration for preferred provider status and how a collaborative will work through the process of selecting criteria and designating providers with the recognition.

The same manufacturing collaborative from Exercise 1 has come together to improve the pipeline of qualified CNC machinists and entry-level production workers. The collaborative plans to upskill a number of production workers into more advanced machinist positions, but will require new talent sourcing partners to improve the quality and supply of entry-level production workers.

For upskilling current production workers, several of the employer collaborative members have worked with a community-based nonprofit that provides career coaching services. In addition to career coaching, the nonprofit also has training available to current workers and provides other support services, including housing, transportation, childcare assistance, and financial literacy. Workers who have taken advantage of these services have reduced time to full productivity in the targeted jobs with higher retention rates when compared to their peers who have not taken advantage of these services, but who are otherwise eligible.

For new production workers, the collaborative identified that member companies get their most qualified recruits from a community college in the area. However, the need to backfill production workers on top of the existing demand will likely exceed the community college's current capacity. In addition, many graduates of the program do not leave with a relevant industry credential. Further review of HR records indicates that these learners often need additional training and their retention rates are consistently low.

Two collaborative members inform the other members that they have recently started to source production workers from an area high school that has established a manufacturing career and technical education program. This program has smaller class sizes and doesn't award college credit, but learners do earn industry credentials in machining and require little additional training once onboarded.

Another private college in the area has recently developed a new machining program that includes industry credentialing as a central feature of the program, but none of the collaborative members currently have a relationship with that school.

Last, a for-profit manufacturing "boot camp" recently began advertising their program and recruiting students. They have reached out to the manufacturing collaborative's host organization requesting a meeting about being named a preferred provider which they can then use to recruit more students. They have assured the host organization that their program is cutting edge and can meet the collaborative's needs.

After reviewing the exercise, discuss the following:

1   Which of the providers should be considered when designating preferred providers? Discuss how you arrived at your decision.

2   What evidence would the collaborative need in order to recognize a preferred provider?

3   How could the host organization know if the for-profit has what it takes to be recognized?

4   What major questions or issues will arise if some providers are recognized but not others? How could the employer collaborative manage this process in a way that builds acceptance and trust in the community?

Unit 5.3

Engaging Your Partners

Having developed an approach for identifying and designating preferred providers, the next step for an employer collaborative is to work with those providers to co-design talent pipelines. This process should be executed in ways that achieve a positive ROI for the employer collaborative members and generate shared value for all partners in the talent supply chain.

It is important to keep in mind that TPM is not something that happens to providers, but with them. Employer-led does not mean employer alone, and now it is critical for the collaborative to engage its preferred providers in building a high-performing talent pipeline.

As introduced in Strategy 1, employer collaboratives should keep potential partners informed about what they have been doing to get ready to work with them. Employer collaboratives should share information about their critical pain points and focus areas. They also should share with potential partners the preliminary findings from the data collected in Strategies 2, 3, and 4.

Host organizations—along with selected representatives from the employer collaborative—must now organize all the information they have collected in the previous strategies and work in partnership with their designated provider networks to organize performance-based talent supply chain networks. They do this by (1) sharing information, (2) co-designing a talent pipeline through a value stream mapping process, (3) developing **performance measures** and aligning incentives, and (4) developing performance scorecards that communicate outcomes and the effectiveness of the partnership.

It's important to identify the right people for each part of the co-design process, and that can vary from step to step. The collaborative members who participate in value stream mapping may be different from those who participate in developing the performance scorecard, pending who makes up the collaborative and where their expertise lay.

Employer collaboratives can begin this process by focusing first on their internal or external talent pipelines. However, wherever they choose to start, they should always take a comprehensive end-to-end approach and make sure they are taking into consideration implications for their entire pipelines. We now review the steps in engaging your providers in building talent pipelines, regardless of where you choose to start.

Engaging Provider Leadership

When engaging providers, host organizations and their employer collaborative members need to work through a series of activities and decision points. There are many ways to engage your provider partners, but we recommend beginning with a leadership meeting that affirms the desire to establish partnerships with preferred providers and provides an opportunity to share information the collaborative has collected to date. The leadership meeting also provides an important opportunity to secure the necessary buy-in to commit staff to go through the co-design process, including mapping a value stream and aligning performance metrics and incentives.

Keep in mind, if your collaborative has been engaging stakeholders throughout the process—even sharing information with them as it becomes available—this initial meeting may be seamless as they have been prepared to engage all along. However, if your collaborative has kept their work private to date, the host organization may have to organize additional meetings to bring the providers they seek to convene up to speed.

To the extent possible, the information the collaborative has gathered to date should be shared in advance with those providers you plan to convene. As many questions as possible should be answered ahead of the leadership meeting to ensure there is sufficient trust and buy-in heading into the meeting. *Some have organized a series of pre-meetings in anticipation of the leadership meeting to ensure that all questions have been answered.* Host organizations and the employer collaborative members will need to make a decision on just how much to share in advance and with whom.

The host organization should work with the collaborative members to determine who should represent them in the kickoff meeting. In some cases this can be done by the host organization themselves, but it is often advantageous to have one or two employer champions act as collaborative representatives, which demonstrates trust in the host organization and for the process. The employer champions can also provide subject matter or technical expertise through the involvement of key employees, such as a front-line manager.

If starting with upskilling and internal talent pipelines, the host organization should convene the major providers of education and training services for upskilling existing employees, whether through customized training programs with employers or through employer tuition assistance programs. They also should include providers of career coaching services as well as those providing support services and related benefit programs important for promoting career advancement and diversity. Upskilling providers should be encouraged to come ready to present information about their education and training programs and services relevant to the critical jobs and career pathways prioritized by the employer collaborative, including customized training services and different ways employees could access and use tuition assistance benefits. They also should be encouraged to present information on career coaching and support and benefit management services.

If starting with external talent pipelines, the host organizations should at least convene Tier 1 providers, but they should also include their **feeder schools** however possible. What matters most at this point is that the talent supply chain is working as a team and is transparent in how it is organizing roles and setting goals. When focusing on external pipelines, goals should be set with the providers in advance so they are prepared to not only receive the employer data, but also present information that is most relevant to the collaborative. Some of this data may overlap with what was collected during Strategy 4—talent flow analysis—but should be included here so that providers have a chance to present their programs, capacity, and achievements to date.

Sharing Employer Collaborative Data

Whether starting with internal or external pipelines or handling both at once, the host organization and collaborative representatives should prepare to present the information the collaborative has collected to date, which includes:

1. Definitions and measures for the collaborative's agreed-on pain points and baseline analysis (Strategy 1).

2. Definitions for critical business functions and jobs that the collaborative has chosen to focus on (Strategy 1).

3. Aggregate short-term projections for new and replacement positions (Strategy 2), which could include projections for feeder jobs that lead to critical jobs.

4. Hiring requirements, including information related to competencies and their preferred assessment and demonstration, credentials, and other requirements (Strategy 3). For those starting with upskilling, this should include data on new, emerging, and changing jobs that will require retraining and the mapping of career pathways.

5. Back mapping data and analytics about talent flows (Strategy 4). If focusing on upskilling, this should include internal job-to-job flows within internal career pathways. (Note: Some collaboratives may choose to keep historical data private if they are working with new provider networks).

6. Designated preferred providers and their relationship to one another (Strategy 5).

7. **Leading and lagging measures** the collaborative plans to address (which will be covered in Strategy 5, Unit 5.4).

8. Current and potential incentives the collaborative is prepared to commit that they believe will help improve performance (which will be covered in Strategy 5, Unit 5.4).

In addition to being prepared to present the data, the employer representatives should be prepared to address a number of questions that their designated preferred provider representatives will likely have, which could include:

1. What is the source of the data and what methodology was used?

2. Can individual company data be shared?

3. What is the difference between a business function and a job?

4. What level of confidence do we have in the job projection data?

5. How flexible is the collaborative in revisiting the hiring requirements based on feedback from partners?

6. Why was each education and training provider chosen as a preferred provider and what was the criteria used?

7. What guarantee is there that their learners will have priority access to opportunities and employment with the collaborative members?

Hearing from Your Provider Partners

After sharing the employer collaborative's data and answering any questions that may have come up related to the data, the next step is to hear from your provider partners. This is an important step because the providers want to share their information as well and establish a baseline of their own for kicking off a co-design process. However, providers should be cautioned in advance against coming to the leadership meeting with the intent to "sell" their programs to the employer representatives or to provide overly detailed information on their courses (e.g., lesson plans). The idea of the leadership meeting is to co-design talent pipelines with employers based on the data and information collected by the collaboratives. Information presented by providers could include the following:

1. Available and planned program offerings
2. Identification of, and data related to, feeder programs
3. Current enrollment and completion data
4. Credentials and assessments offered
5. Experience with work-based learning opportunities
6. Evidence on graduate experiences and outcomes, particularly as it relates to employment

Knowing if Engaging Your Provider Partners was Successful

If your kickoff leadership meeting was successful you will have established a shared understanding of the goals and objectives related to the talent pipeline you seek to build. You will have also solidified shared value propositions in building a talent pipeline. At the end of the meeting the participants should ask themselves the following questions: (1) do we feel confident we can work together to build a career pathway that addresses the needs of the companies in the collaborative, including the target business functions and jobs, shared pain points, and hiring requirements, and (2) will we commit staff time to working together to co-design a talent supply chain that will be reviewed and submitted for approval by employer collaborative and provider leadership?

The leadership meeting should conclude with agreed-on next steps and staff assigned to carry out the co-design process with the understanding that they will report back to the leadership team once the work is complete. This remaining process can take place through a series of meetings among the collaborative's staff and representatives, and staff and experts made available by the provider partners. Similarly to the employer collaborative, it's important to identify the right people for each part of the co-design process, which sometimes may be the same people or sometimes different people (i.e., an assessment and/or credentialing expert would be important to include in a **curriculum mapping** exercise but perhaps not as critical when identifying performance measures).

Unit 5.4

Co-Designing Talent Pipelines

Having had a successful leadership meeting and secured buy-in to move forward, now the work of co-designing a talent supply chain begins. This process involves (1) value stream and curriculum mapping, (2) setting performance measures, and (3) aligning incentives. Once complete, the results of the co-design process will be brought back to employer and provider leadership for review and approval.

The co-design process will unfold based on the plan you arrived at in the leadership meeting. It will likely take place as a series of meetings and engagements with individual providers and experts that can take place over the course of days, weeks, or even months depending on how quickly you are trying to implement a talent pipeline. The length of time and number of engagements will also depend on the complexity of your talent supply chain (e.g., organizing both internal and external talent pipelines) and the number of providers involved.

When co-designing a talent supply chain, the employer collaboratives' staff and representatives should be prepared to meet with several different experts on the provider side. These experts may include:

1. Senior organization leadership (e.g., principals, deans, CEOs, executive directors)
2. Curriculum and instructional design experts
3. Assessment and credentialing experts
4. Guidance counselors and case managers
5. Faculty, teachers, and instructors
6. Staff responsible for organizing and managing work-based learning or earn and learn opportunities
7. Students

When initiating a co-design process it is important to keep in mind that both sides should come prepared to learn, make changes and concessions, and engage in joint decision-making. This is a process that should result in shared understanding and agreement. It should also address the value proposition and core performance goals of each stakeholder. What follows is a series of activities that employers and their providers need to work through, starting with value stream mapping.

Value Stream Maps

Value stream maps are used in supply chain management to show, at a strategic level, the roles and responsibilities involved in producing and delivering a good or service. It is called a **value stream** because each partner in the chain adds incremental value, all aimed at meeting the needs of an end-customer.

In TPM the value stream map is a visual blueprint of the talent supply chain. It is a useful tool for communicating how employers and preferred providers understand the talent development process from start to finish and for providing a way to clearly signal the major **transition points** and the roles and responsibilities of all partners involved in the process. Value stream maps can also be used to show the major performance drivers in sequence, along with the incentives tied to them, which the participants should address as part of the co-design process.

Value stream maps for internal pipelines focused on reskilling for new, emerging, or changing jobs can be used for developing or revising employee training programs and how they will be financed and delivered. For example, some providers could provide on-site and/or online training opportunities coordinated with employer training. Others could offer this through modular courses offered through employer-paid tuition assistance programs along with career coaching and related support services. In most cases, employers and their partners will need to explore how to provide career coaching and support services for entry-level employees who may face barriers in advancing to higher-level positions. (Note: aligning incentives are covered in more detail in the next section).

Value stream mapping also supports upskilling that results in career advancement. Strategy 3 addressed the need to align competencies between jobs within a career pathway to make clear how they relate to each other and how competencies in feeder jobs could be built on for higher level critical jobs. Strategy 4 identified the internal pipeline capacity and how many people could be expected to advance from entry-level to higher level jobs. Value stream mapping now makes possible the development of more intentional upskilling opportunities for current workers.

Lastly, value stream mapping for external talent pipelines is comparable with developing career pathways or programs of study with education and training providers. For educators and training providers, a career pathway shows a scope and sequence of learning across providers to prepare a learner for entry-level employment in a career field. Education and training providers have a rich history of developing career pathways for career and technical education programs supported by state and federal policy. What makes value stream maps different is that they are co-designed with employers based on the data employers have gathered in advance. They are also used to align incentives and performance measures in ways that generate a positive **employer return on investment**.

Breaking Down the Value Stream Map into Its Component Parts

A value stream map identifies major activities involved in developing talent and who delivers the services, but also includes the performance goals at each transition point and the incentives used to improve performance. These maps have six major components, each involving decisions that should be spaced out over the course of the co-design process:

- **Talent Pipeline Roles:** The major roles or functions (e.g., career awareness) played by employers and their partners, showing shared responsibilities at each transition point in the pipeline
- **Tiers:** The classification of which roles fall under which tiers
- **Preferred Providers:** The sorting of which providers are tagged to which tiers and roles
- **Learning Activities/Outcomes:** The value-added learning activities and competency outcomes as well as assessments and demonstrations, at each stage of talent development

- **Performance Measures:** The key performance measures at each point of transition
- **Incentives:** The incentives that are targeted at each stage of the talent development process

While not reflected in the value stream map itself, collaboratives should factor in considerations related to time, demand, and the capacity of provider partners. For example, the value stream map encourages a conversation among the co-design partners to build a value stream map that is consistent with the level of demand projected in Strategy 2 and the time period in which demand needs to be met. It should also consider the capacity of partners (i.e., enrollments and completers) and effective capture and leakage rates covered in Strategy 4. This allows a collaborative to anticipate or consider talent leakage or attrition in ways that ensure there are enough completers to meet the projected level of demand.

See Figure 5.1: Basic Value Stream Map and Figure 5.2: Advanced Value Stream Map. The more advanced map provides a template for populating the map with data and decisions made by the co-design participants.
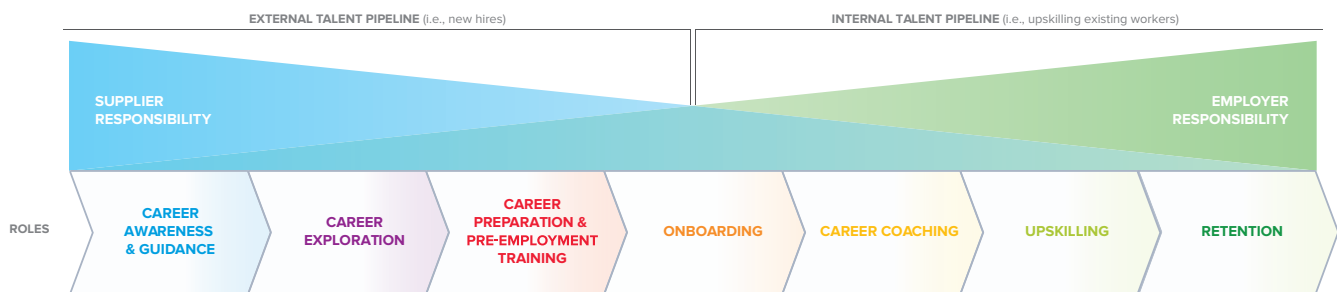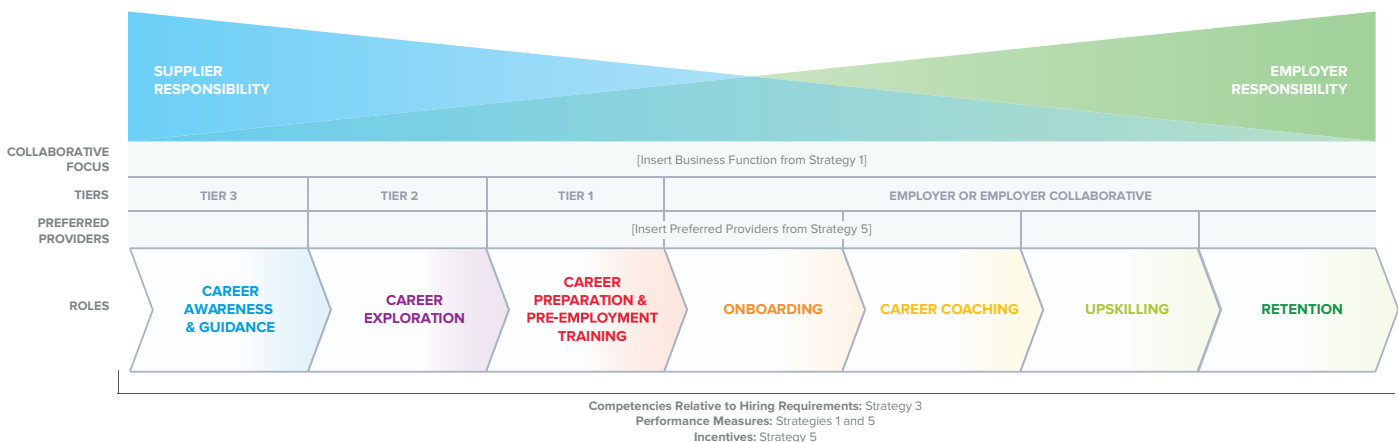
Figure 5.1: Basic Value Stream Map

EXTERNAL TALENT PIPELINE (i.e., new hires)   INTERNAL TALENT PIPELINE (i.e., upskilling existing workers)

SUPPLIER RESPONSIBILITY   EMPLOYER RESPONSIBILITY

ROLES: CAREER AWARENESS & GUIDANCE | CAREER EXPLORATION | CAREER PREPARATION & PRE-EMPLOYMENT TRAINING | ONBOARDING | CAREER COACHING | UPSKILLING | RETENTION

Figure 5.2: Advanced Value Stream Map

SUPPLIER RESPONSIBILITY   EMPLOYER RESPONSIBILITY

COLLABORATIVE FOCUS: [Insert Business Function from Strategy 1]

TIERS: TIER 3 | TIER 2 | TIER 1 | EMPLOYER OR EMPLOYER COLLABORATIVE

PREFERRED PROVIDERS: [Insert Preferred Providers from Strategy 5]

ROLES: CAREER AWARENESS & GUIDANCE | CAREER EXPLORATION | CAREER PREPARATION & PRE-EMPLOYMENT TRAINING | ONBOARDING | CAREER COACHING | UPSKILLING | RETENTION

Competencies Relative to Hiring Requirements: Strategy 3
Performance Measures: Strategies 1 and 5
Incentives: Strategy 5

When engaging in a value stream mapping process, you will first need to reach agreement on the roles, tiers, and providers playing those roles/tiers, but also done in a way that can be delivered within the timeframe needed by the employer partners and with sufficient capacity to meet the projected level of demand. Demand data already aggregated by the collaborative members during Strategy 2, and data about provider tiers and roles gathered during Strategies 4 and 5, will prove helpful to this discussion. Questions you can use to guide the discussion include:

1. What are the major roles in developing talent for our pipeline and how do we define them?

2. Which role and tier will each provider be responsible for?

3. Which providers are feeders to others, and which will employers directly recruit from?

4. What level of demand needs to be met and by whom, including estimated enrollments and completers, accounting for attrition?

5. What time period does the value stream need to address in the immediate future? Which providers fall within the timeframe for current projections? Who is responsible for future talent supply?

Competency and Curriculum Mapping

With roles firmly established and having reached agreement on the above questions, the co-design team is now ready to address the fourth component of the value stream mapping process: learning activities and outcomes. Here you will need to engage the curriculum, instructional design, and assessment experts to build out the activities covered under each talent development role. Data that employers have gathered as part of Strategy 3—the hiring requirements—will prove essential in mapping out **learning outcomes** and the progression of learning. Learning outcomes are measurable and observable statements about what a person knows and is able to do that are tied to a curriculum.

The co-design team may find it beneficial to make use of competency and curriculum mapping tools. **Competency mapping** tools are useful for both upskilling and external talent pipelines and enable partners to map which learning outcomes relate to which competency hiring requirements, and which providers (and at what tier) are responsible for them. They can also be used to show the progression of learning outcomes attained over time across multiple provider partners. Curriculum mapping takes another step to provide detailed information about how a learning outcome and/or competency ought to be delivered and assessed.

Collaborative representatives should defer to the curriculum and instructional design experts on how they believe the employers' competency hiring requirements can best be achieved (e.g., scope and sequence of learning activities).

However, employers should make sure that the competency hiring requirements and learning outcomes are aligned and that proposed assessments of learning outcomes are also aligned with the preferred demonstrations of these competencies.

Overall, these competency and curriculum mapping exercises should involve a rich back-and-forth discussion between the collaborative representatives and providers to address questions such as the following:

1. Which learning outcomes correspond to which competency hiring requirements?

2. How will learning outcomes be sequenced across partners and tiers? Who is responsible for addressing which learning outcomes at what points in the talent supply chain?

3. How will learning outcomes be delivered? Should it be delivered in a classroom or through a work-based learning experience?

4. What is its preferred demonstration? What types of assessments correspond to each learning outcome? What are examples of these types of assessments?

5. Are there any learning outcomes that are company specific and how will they be accounted for?

6. What learning activities and assessments are the employers responsible for and need to be included as part of onboarding and training processes?

The back and forth negotiation that results from the co-design process could result in employers adjusting their hiring requirements that were identified in Strategy 3. Similar to providers, employers must approach the conversation with an openness to being flexible and should adjust or modify their hiring requirements as needed based on the results of the value stream mapping process. If employers do not adjust, then they run the risk of requesting hiring requirements prior to employment that they now plan to address as part of their agreed-on onboarding and training process. This could increase the duration of training and increase its costs. Further reducing the hiring requirements as a result of the co-design process is more often than not a win for all stakeholders.

The competency and curriculum maps that follow are just examples. What is most important is for the co-design team to decide for themselves what competency and curriculum mapping process works best for them and which tools should be used or adapted to meet their needs.

Competency and Curriculum Mapping for Internal Talent Pipelines

Starting with internal talent pipelines, employers and their partners should explore: (1) developing coordinated or shared customized training programs for retraining existing employees in new, emerging, or changing jobs, and (2) developing coordinated or shared career pathways and advancement opportunities, supported by coordinated career coaching and support services and benefit management.

Data that employers have gathered as part of Strategy 3—the changes in hiring requirements—will prove essential in mapping out how employers and providers will partner to retraining employees to meet these new requirements and address other common skill gaps.

Co-design partners should start by organizing a job-to-job comparison of competencies that shows the relationship between jobs. This is a particularly important tool to show the difference in competencies between a feeder job and a critical job. A job comparison example is provided in Table 5.1: Job Comparison by Competency Example.

Table 5.1: Job Comparison by Competency Example

Master List of Competency Hiring Requirements (CHR)	Job 1 (Entry Level)	Job 2 (Mid Level)	Job 3 (Senior Level)
CHR 1	X	X	X
CHR 2	X	X	X
CHR 3		X	X
CHR 4			X

As shown in this example, data from Strategy 3 would be used to identify the competency hiring requirements and whether these requirements are the same or whether they have been changed or added. The job comparisons by competency also provide the opportunity for employers to identify hiring requirements or additional competencies that should be reinforced or addressed because they are important in addressing the common and critical skill gaps that have been discovered through **continuous improvement** initiatives (Strategy 6) and internal company evaluations (e.g., hiring manager recommendations).

With an identified list of target competency hiring requirements, the co-design participants are now ready to move on to competency mapping. Competency mapping tools enable co-design partners to show the relationship between competency hiring requirements and learning outcomes, as well as which partners (and at what tier) are responsible for their delivery and attainment. Some competencies may be the same as the learning outcome. However, some competencies may require multiple learning outcomes. It is important to lay out the full list of learning outcomes associated with each competency to ensure it has been appropriately mastered. A competency map example is provided in Table 5.2: Internal Pipeline Competency Mapping Tool Example.

Table 5.2: Internal Pipeline Competency Mapping Tool Example

Competency Hiring Requirements (CHR) — Reinforced or New	Learning Outcomes (LO)	Provider(s)	Employer(s)
CHR1 (Reinforced)	LO1	X	
CHR2 (Reinforced)	LO2		X
CHR3 (Reinforced)	LO3	X	
CHR4 (New)	LO4		X

The competency mapping process alone will likely be an improvement for how employer and educator partners assess how hiring requirements are linked to learning objectives. For those who want to take this learning to the next level, curriculum mapping is a beneficial next step. Curriculum maps can be populated with additional information about how the learning outcome is to be delivered, demonstrated, and assessed. More than a checklist, a curriculum map provides an opportunity for the co-design participants to input rich information specific to the type of learning activity (e.g., course, on-the-job training) associated with a competency and learning outcome as well as the preferred demonstration or assessment used to determine mastery. An example of a curriculum map is provided in Table 5.3: Curriculum Mapping for Industrial Maintenance Example.

Table 5.3: Curriculum Mapping for Industrial Maintenance Example

Competency Hiring Requirements (CHR)	Learning Outcomes (LO)	Learning Activity	Assessment Type	Assessment Description	Example Assessments and Evaluation Rubrics
CHR1: Troubleshoot, repair, and replace motors (AC & DC)	LO 1: Troubleshoot motors	Industrial Maintenance Program, Unit 2.1: Industrial Motors (AC & DC)	Performance	Students are given an assignment and asked to diagnose a performance problem with industrial equipment; then asked to determine the causes of the problem and what should be done to repair and replace; and then how they came to that decision.	Evaluation rubric should address: (1) motor is removed and reinstalled consistent with removal and installation checklist and (2) motor performance problem is successfully diagnosed and explained.

Competency and Curriculum Mapping for External Talent Pipelines

For external talent pipelines, similar competency and curriculum mapping processes are used, except instead of focusing on job-to-job comparisons and upskilling pathways, they are now used to identify the progression of learning across one or more external provider partners and how they relate to the employer collaborative's competency-based hiring requirements.

Similar to internal pipeline competency and curriculum mapping tools, these maps show the relationship between competency hiring requirements (identified in Strategy 3) and learning outcomes as well as which providers (and at what tier) is responsible for them. Competency maps can be simple checklists or you can develop curriculum maps with additional information about how the learning outcome is to be delivered (e.g., course, internship), demonstrated, and assessed.

A competency mapping example is provided in Table 5.4: External Pipeline Competency Mapping Tool Example. For curriculum mapping for external pipelines that include the rich information specific to the delivery of the competency and associated learning outcomes, refer back to Table 5.3: Curriculum Mapping for Industrial Maintenance Example.

Table 5.4: External Pipeline Competency Mapping Tool Example

Competency Hiring Requirements (CHR)	Learning Outcomes (LO)	Tier 3 Providers	Tier 2 Providers	Tier 1 Providers	Collaborative Employers
CHR1	LO1		X		
CHR2	LO2		X		
CHR3	LO3			X	
	LO4			X	
CHR4	LO5				X
	LO6				X
	LO7			X	

Considerations when Coordinating Implementation of Internal and External Talent Pipelines

If your collaborative is pursuing both internal and external talent pipelines you will need to ensure you are coordinating your efforts to avoid inefficiencies or unintended consequences. These situations could arise when you are pursuing upskilling opportunities for a destination job but also sourcing for the same job from external preferred providers. Coordination problems can also occur when building an internal pipeline involving a feeder job that will also need to be backfilled. Many times these pipelines will be addressed by separate co-design teams, which if that is the case, then they must be intentional about coordinating their efforts to ensure you have a well functioning end-to-end talent management process or, minimally, to avoid unintended consequences. What follows are some common coordination considerations as you execute your value stream mapping process for both internal and external talent pipelines.

- When building an internal talent pipeline, will career pathway programs be the same or different than programs that prepare new hires for the same critical jobs? For example, should employers use the same partners and programs for preparing current employees in sales associate/assistant manager jobs for manager jobs as they do for hiring store managers as new hires from external pipelines? If so, how do they design and promote them for both existing employees and new hires? If not, how are they designed and delivered differently and how can they be coordinated and aligned wherever possible?

- How will programs for existing employees be credentialed and how will existing employees in those critical jobs (e.g., store manager) be given the same opportunities to get these credentials? And how will these credentials be different than those given in external pipeline programs for new hires?

- How will career coaching and support services be provided to improve access and success in career pathway programs? How will career coaching for existing employees be similar or different than for career awareness and exploration at earlier stages in the external talent pipeline? Also, how should employers and their partners provide necessary support services and how is this coordinated with publicly funded support services?

Exercise 3

Value Stream Mapping Exercise

This exercise demonstrates how the value stream mapping process can reveal important considerations in co-designing career pathways with preferred providers.

The same manufacturing collaborative from Exercises 1 and 2 has now engaged their preferred providers and is kicking off the value stream mapping process. This includes working with the local nonprofit to provide customized training and support services to move entry-level production workers into more advanced CNC machinist positions. It also includes working with the local community college and the newer high school CTE program as Tier 1 providers of new production talent.

Leadership from the manufacturing collaborative and from the providers have agreed to move forward to co-design internal and external talent pipelines based on the data the employers provided. Subsequently, the host organization staff plans a series of meetings with the providers to map the value stream, starting with aligning the learning activities and outcomes with the employer's competency-based hiring requirements.

For upskilling, the employers used a curriculum map to compare the competency requirements of production workers to CNC machinists. The process helped employers better harmonize their requirements so that the community-based nonprofit could provide a common training platform and service to help employers upskill workers. They also wanted to add additional competency requirements for newer production workers to better prepare them for future career advancement opportunities that are faster, more aligned, and more cost effective transitions into CNC machining jobs.

For external hires, the employers similarly used curriculum mapping tools to map the learning that takes place in the classroom to new competency-based hiring requirements for entry-level production workers. They began by identifying 25 learning outcomes used in the programs offered by the community college and high school. Of the 25 learning outcomes:

- 15 were consistent with the employer hiring requirements;
- Three were relevant to less than half the manufacturers in the collaborative;
- Seven were not relevant to the collaborative members and added four weeks of instruction time; and
- Three important technical skills that were required by all the employers were not addressed in the program.

In addition to the learning outcomes, three assessments were offered as part of the curriculum and learners had the ability to acquire two industry credentials, each of which required learners to pay a fee. One of the credentials was a highly sought-after industry-recognized credential for all of the collaborative members that addressed core technical skills and could offset some of the companies' onboarding and training costs if job candidates arrived with this credential. The second credential was not known to the collaborative members and it was questionable if it addressed their hiring requirements at all.

The education providers indicated that they were willing to adapt the curriculum, but they also noted that, per the employer presentation the day before, three of the learning outcomes that the curriculum addressed were part of the onboarding and training process that the companies currently offered and were unable to change for safety and compliance reasons. Those three learning outcomes added at least another two weeks of instruction time.

After reviewing the exercise, discuss the following:

1 What are some issues that surfaced as a result of this process that may have otherwise gone unnoticed or unresolved?

2 What are some decisions the collaborative should consider after mapping learning outcomes to competency-based hiring requirements for both internal and external talent pipelines?

3 How would you address assessment and credentialing opportunities?

4 Identify instances when time and cost should be factored into your decisions.

Setting Performance Measures

Having completed the first four components of the value stream mapping process—talent pipeline roles, tiers, preferred providers, and learning activities/outcomes—you are now ready to move on to setting performance measures and creating scorecards based on those measures. The host organization and employer collaborative representatives are now ready to introduce their designated preferred providers to the most important measures that have been discussed thus far. From there, they can work through the co-design process to further explore and validate the leading **transition measures** and tie them to lagging bottom-line measures that address employer ROI.

The first step in enhancing your collaborative's talent supply chain is determining which performance measures are most important in delivering a positive ROI to your employer members. In TPM, performance measures start from an employer perspective by addressing how improved talent sourcing for the most critical business functions and jobs will contribute to improved business performance and competitiveness. These measures create a clear "line of sight" or relationship between talent sourcing measures and overall business performance measures.

For example, reducing the time it takes to fill critical job openings with qualified talent contributes to improved productivity and revenue generation because essential work gets done on time or more work can be taken up. In addition, reducing turnover reduces costs associated with recruitment, onboarding, and training, which contributes to the organization's overall profitability. Finally, upskilling current employees and providing them more career advancement opportunities may also reduce turnover and improve returns to external recruiting efforts.

The examples above hit on four talent management challenges associated with key pain points experienced by employers that were first presented in Strategy 1:

- **Unfilled Job Openings:** The inability to fill critical job openings with qualified talent in the time frames needed to meet business needs, resulting in lost revenues.
- **Onboarding and Upgrading Costs:** The increased cost of onboarding recent hires and upgrading existing workers.
- **Career Advancement and Retention:** Employers are not able to provide career advancement opportunities for current employees to fill critical job openings and retain workers who are leaving the company and the industry.
- **Increasing Diversity and Opportunity:** Employers are not able to increase the diversity of employees and applicants, expand economic opportunity, and promote equity.

In developing performance measures for the talent supply chain, collaboratives should identify specific metrics that address these challenges. They should start by asking employers what measures they currently use to track and analyze their key pain points and how collaboratives can build from or enhance these measures. Collaboratives should also ask how frequently employers gather and report data on these measures and what internal data sources they use.

Here are some example measures for the four identified pain points.

Unfilled Job Openings: Measuring at the Point of Hire

- Cost per hire
- Percentage of jobs filled within a needed time period
- Percentage of providers' referred applicants who meet hiring requirements
- Ratio of job openings to qualified applicants
- Average number of days between initial job posting and hire

Onboarding and Upgrading Costs: Measuring Hires against Meeting Performance Goals

- Percentage of hires meeting employer performance goals within anticipated time periods
- Average number of days from hiring to meeting employer performance goals
- Costs of onboarding to meet performance goals
- Costs of supplemental training to upgrade current workers

Career Advancement and Retention: Measuring Upskilling and Longer-Term Results

- Percentage of current employees retrained for success in new, emerging, and changing jobs
- Percentage of retrained employees in new, emerging and changing jobs retained after defined time period (e.g., 12 months)
- Percentage of workers from feeder jobs moved into critical jobs after defined time period (e.g., 12 months)
- Percentage of new hires retained in employment after defined time period (e.g., 12 months)
- Cost of turnover within defined time period

Increasing Diversity and Opportunity: Building More Diverse and Equitable Talent Pipelines

- Percentage of employees from targeted under-sourced populations
- Percentage of recent hires and qualified applicants from targeted under-sourced populations
- Percentage of employees retrained for new, emerging and changing jobs from targeted under-sourced populations
- Percentage of employees advancing in careers from targeted under-sourced population
- Percentage of employees retained from targeted under-sourced populations

In most cases, employer collaboratives will have to collect data on these pain point measures directly from employers based on agreed-on common metrics and time periods.

Measuring Performance Drivers and Key Points of Transition in the Pipeline

The value stream mapping process now provides employer collaborative members and their partners the opportunity to introduce leading measures that may drive or predict performance on employer pain point measures and help manage key transition points across the entire talent pipeline (see Table 5.5: Examples of Types of Measures). This is most important when developing measures with external pipeline providers where results against employer pain point measures will be lagging. Leading measures can help identify progress and performance when transitioning between career awareness and exploration to enrollment in programs of talent sourcing providers.

The measures you select for your talent supply chain should have the following characteristics:

- **Actionable:** Choose measures for which they can take action to improve performance on key employer pain points. Actionable measures should also help partners address these pain points in ways that create shared value for all partners involved, including education and training providers. These are leading measures because they are important determinants or drivers of performance on pain point measures. They also are important in creating shared value because they improve the cost effectiveness of supply chains in addressing employer needs.

- **Aligned:** Employer collaboratives should consider how these measures align with not only their own company measures but also align with government measures so that talent providers are not pulled in different directions.

- **Practical and Cost-Effective:** One final consideration is ongoing data collection costs for employers and their partners. In most cases, employer collaboratives will have to ask talent sourcing providers to report this information based on an annual data request. In some cases, this will involve additional data collection from employers, such as the percentage of completers applying for jobs with employers in the collaborative.

Table 5.5: Examples of Types of Measures illustrates how employer collaboratives can design leading indicators at key transition points that are predictive of performance on pain point measures. In this example, employer collaboratives can track whether they are getting the right numbers of learners from feeder schools into career preparation and pre-employment training programs (e.g., ratio of enrolled to total capacity) and whether the number and percentage of learners coming out of these programs and applying for open positions is sufficient to reach the desired ratio of openings to qualified applicants.

One major challenge in aligning leading measures, including key transition points and measures, to bottom-line employer pain point measures (lagging measures) is deciding when to expect interventions in the supply chain to have major impacts on employer metrics, including employer ROI. These goals are important in managing and incenting performance.

Table 5.5: Examples of Types of Measures

	Career Awareness/Exploration Leading Measures	Career Preparation/ Pre-Employment Training Leading Measures	Employer Pain Point Lagging Measures
EXTERNAL	• Percentage of learners from feeder schools enrolling in targeted programs of talent providers • Percentage of learners from feeder schools indicating a career interest related to critical jobs • Percentage of learners from feeder schools participating in career exploration activities related to critical jobs	• Percentage of enrolled learners completing programs and attaining required or preferred credentials • Number and percentage of completers from talent providers applying for jobs with collaborative employers • Ratio of enrolled learners to total enrollment capacity	• Percentage of providers' referred applicants who meet hiring requirements • Ratio of job openings to qualified applicants • Average number of days between initial job posting and hire • Percentage of jobs filled within the needed time period
	• Cost per learner to participate in career exploration activities	• Cost per credentialed learner	• Cost per hire
INTERNAL	• Percentage of existing workers receiving career coaching on retraining opportunities • Percentage of existing workers in entry-level jobs receiving career coaching on career advancement opportunities	• Number and percentage of existing workers receiving retraining for changing job roles • Percentage of entry-level workers completing a career advancement course and earning a credential	• Number and percentage of existing workers retrained and retained • Number and percentage of workers upskilled into critical jobs and retained

Using Performance Measures to Design Scorecards

The goal of this co-design process is to come to agreement on how to track progress and keep score for the talent supply chain network. Remember, TPM is a team sport and we value how the team is performing more than the outputs and outcomes associated with any one partner in the value stream.

Value stream mapping participants should engage in a deliberate process to link a variety of performance metrics across the talent pipeline in a way that is transparent and shows the goal of each partner relative to one another.

Questions the partners should work through include the following:

1. Are the pain point measures that matter to employers clear?
2. Which transition measures should be prioritized at which stage of the value stream?
3. Do these transition measures align with any accountability systems that providers are accountable to?
4. Is there clear alignment between the agreed-on transition measures and bottom-line measures?
5. How will we collect and share data on performance and who will have access to the data and when?
6. How often will we measure?

When getting started, value stream participants should develop a simple performance scorecard that shows how well the collaborative and its partners are meeting performance goals. The scorecard minimally should include the following:

- **Name and Description of the Performance Measure:** A clear and concise name and description
- **Performance Level:** Achievement against the measure expressed as a ratio, percentage, or absolute number or rating
- **Performance Relative to Goal:** Whether the current level of performance is meeting, exceeding, or not meeting the intended goal, expressed in letters, icons, or colors
- **Performance Trend:** Whether the performance level is improving over recent time periods, expressed in upward or downward arrows or other types of icons and colors

Scorecards can also include ongoing data gathered from talent flow analysis. Some collaboratives would benefit from tracking the ongoing capture and leakage rates from providers relative to performance against transition and bottom-line measures.

For external pipelines, employer collaboratives can use performance scorecards to benchmark the progress of any one provider against one or more transition measures, or they can use them to compare performance across multiple providers. For internal pipelines they can be used to benchmark the success of cohorts of employees who use different sets of provider services available to them when pursuing upskilling pathways.

For those collaboratives that manage multiple talent supplier networks, these scorecard tools can be used to compare performance among providers and to make strategic choices about talent pipeline partnerships.

By comparing performance, your collaborative can identify leading practices that can inform continuous improvement or make determinations about whether to ramp up, ramp down, or discontinue a partnership. See Table 5.6: Example Aggregate Performance Scorecard for an example of an aggregate performance scorecard and Table 5.7: Example Performance Scorecard for Tier 1 Training Providers for an example of a scorecard that compares providers against a common metric. Table 5.8: Example Performance Scorecard for Internal Pipeline Provider Services provides an example of an upskilling pathway where employee performance is compared to the type of services they accessed.

Table 5.6: Example Aggregate Performance Scorecard

Shared Pain Point Measures	Performance	Relative to Goals	Trend
Percentage of applicants from talent providers that meet the requirements	55%	🔴	⬇
Average number of days to fill open positions	128 days	🔴	⬇
Percentage of hires retained in first year of employment	75%	🟡	⬆
Percentage of recent hires from targeted, under-sourced populations	35%	🟡	⬆
Percentage of employees completing career advancement programs	48%	🟡	⬆
Driver/Transition Measures	**Performance**	**Relative to Goals**	**Trend**
Percentage of employees in entry-level jobs enrolling in career advancement programs	50%	🟡	⬆
Number of learners who complete education and training programs	75	🟢	▬
Number of learners enrolled in education and training programs	95	🟡	▬

Table 5.7: Example Performance Scorecard for Tier 1 Training Providers

Tier 1 Provider	Measure	Level	Relative to Goals	Trend
Community College A	Percentage of applicants from talent providers who meet the requirements	85%	🟢	⬆
University B	Percentage of applicants from talent providers who meet the requirements	60%	🟡	⬇
University C	Percentage of applicants from talent providers who meet the requirements	40%	🔴	⬇

Table 5.8: Example Performance Scorecard for Internal Pipeline Provider Services

Provider Services	Measure	Level	Relative to Goals	Trend
Accessing Community College A training services	Percentage of employees completing career advancement programs	55%	🟡	↓
Accessing Community College A training services and Community-based, Nonprofit B career coaching services	Percentage of employees completing career advancement programs	65%	🟢	↑

Aligning Incentives to Performance

Having achieved agreement on the leading and lagging measures that will help the talent supply chain network keep score, it is time to target the right mix of incentives that will optimize performance across partners and deliver a positive ROI for employers and learners.

Incentives are important because they can both reward preferred and trusted providers for being responsive to employer needs as well as optimize performance across the talent supply chain in ways that manifest into a positive ROI.

Taking stock of existing incentives provides critical information that helps employers establish a baseline understanding of what they're currently spending on incentives.

The most important incentive of all is priority access to jobs, but employers can reward providers in many other ways and can be financial or nonfinancial. For example, for external pipeline partners collaboratives can provide exclusive access to equipment, staff, and work-based learning opportunities as financial incentives, or incentives that have a monetary cost. For internal pipelines, employers can leverage training funds and tuition reimbursement as financial incentives to preferred, value-added providers that are responsible for delivering critical training services.

Employers can also leverage financial incentives and preferred provider partnerships to support workers in pursuing and persisting in upskilling pathways. For low-income, opportunity populations, incentives—such as child care, housing, financial literacy, and transportations supports—can be important in order to access training and career advancement opportunities as well as promote retention.

We have already covered the preferred provider designation as a critical nonfinancial incentive that employer collaboratives can use to signal to the marketplace that the institution or program has a special relationship with the collaborative's employer members.

Targeting incentives is critical to ensure employers are getting the right type of responsiveness and flexibility from providers. It also confirms for providers that their efforts to understand and meet employer needs reap rewards for their programs and, most importantly, their learners.

When managing the talent pipeline, employer collaboratives should consider and document the full range of private and public incentives that could be used to drive performance in talent pipelines, as shown in Table 5.9: Types of Incentives Driving TPM.

First, employers should ensure that their own teams are rewarded for managing the talent pipeline well and delivering a positive ROI to the company. To align internal incentives, collaboratives should encourage their employer members to reward staff that deliver high-quality job forecasting data, communicate accurate hiring requirements, and improve the onboarding, upskilling, and advancement of workers in the company.

Companies have many resources at their disposal to acknowledge these internal teams and reward them for helping achieve a positive ROI. Companies must demonstrate that efforts to improve the talent pipeline that generate positive returns for the company are recognized and valued.

Next, employers should target incentives to their designated preferred providers, and from there align with public incentives where possible. Not all incentives have to be tied to a preferred provider designation. However, the more a collaborative can tie incentives to a preferred provider designation, the more likely providers will see the value in being more responsive and flexible in meeting the collaborative's requirements.

Employers must understand that these incentives are highly valued and sought after; they should not be given away casually but should be part of a continuous improvement system for talent supply chain performance and employer ROI. The process of inventorying and aligning incentives should also be done as an extension of the process for co-designing programs with providers.

Below are questions value stream mapping participants should work through when identifying and targeting incentives:

1. What types of financial and nonfinancial incentives are collaborative members providing now?

2. Are these incentives targeted to internal or external talent pipelines?

3. If internal, have you identified the most important career and support incentives that will promote access to and persistence and success in upskilling opportunities?

4. Is there a connection between the type of incentives given and performance?

5. Are the incentives employers are willing to offer the ones that are most in demand by providers?

6. What types of incentives will collaborative members be able to provide in the future that may be more valuable to providers?

7. What are the costs of the agreed-on incentives?

8. Who will manage the distribution of incentives (e.g., host organization versus individual employer members)?

Employer collaboratives and their host organization should prioritize getting the incentives right within their control. They should also be in communication with relevant public-sector partners to ensure they are knowledgeable about who the collaborative is working with as well as how they are measuring and incentivizing performance. This ensures that employers preserve their end-customer role and achieve the right level of responsiveness and flexibility with preferred providers, but with the possibility of additional public-sector support. Value stream mapping participants should ask, are there any available or potential public incentives that should be sought after, and would they help improve ROI?

Common public sector workforce and economic development incentives that may be leveraged to support external and internal talent pipeline development and implementation include, but are not limited to:

- Career and technical education and workforce development grant programs
- Wage and training subsidies
- Social services (e.g., case management services), including income support, housing, childcare, transportation assistance, etc.
- Tax credits or incentives for hiring target populations

Opening up these lines of communication early on can help ensure that public agencies reinforce the collaborative's work moving forward and do not introduce solutions that are in search of a problem. Once formed, employer collaboratives bring about opportunities to substantially improve employer signaling in the talent marketplace. The signaling that results from these employer collaborative members can be leveraged by public-sector partners to achieve a better return on public-sector investments.

However, while public-sector incentives often bring much-needed resources to the table, public-sector partners should be careful not to undermine employers in their end-customer role in ways that reduce quality and increase training time and cost. Done right, talent supply chain networks can align their incentives with public incentives and ensure the right mix is in place to deliver stronger ROI for learners and employers.

Table 5.9: Types of Incentives Driving TPM

	Step 1	Step 2	Step 3
Type of Incentive	Employers to Internal Teams	Employers to Preferred Providers	Public Systems to Providers and Employers
Description	Incentives given to employees or business units in a company	Incentives given from a company to a provider	Incentives given by policymakers and public agencies to providers or employers
Nonfinancial	Examples • Employee team recognition for performance and improvement • Expanded career and professional development opportunities	Examples • Preferred provider recognition • Access to and use of employer facilities • Access to workers	Examples • Accreditation and other eligibility and recognition systems tied to public funding streams • Identification and communication of employer-led preferred provider networks • Alignment of career guidance and consumer information systems • Access to public data integration
Financial	Examples • Employee bonus plans for team performance and improvement • Expanded investments in technology tools and related supports • Access to career coaching services and career advancement opportunities	Examples • Priority access to internships and other work-based learning experiences • Monetary and equipment donations • Shared training costs for preferred training providers • Subsidizing support services through employee benefits or direct investment	Examples • Deployment of funding streams aligned to employer-led preferred provider networks • Performance-based funding • Scholarships and financial aid • Tax credits and incentives • Social impact bonds • Customized training funds for current workers • Social services

Reaching Agreement on Your Talent Supply Chain Solution

Having completed the value stream map, the employer collaborative and provider leaders that kicked off the co-design process should now reconvene to review the results. This includes reviewing the completed value stream map and related resources, such as curriculum maps, performance scorecards, and incentives.

The staff that prepared the value stream and proposed partnerships should present their recommendations and address any questions that come up. They should also be prepared to revisit certain value stream mapping activities as needed to address additional concerns or to incorporate new feedback and information that may have come up since their last meeting.

Keep in mind that talent supply chains are by their very nature responsive and adaptive to changing conditions. They must be as flexible and dynamic as the labor markets they seek to provide solutions for. In the sixth and final strategy we will demonstrate how data collected through your performance scorecards will help drive continuous improvement of your talent supply chain in ways that optimize performance and ROI.

Congratulations, you are now ready to implement your talent supply chain!

Exercise 4

Setting Measures and Aligning Incentives Exercise

This exercise demonstrates how a co-design team will explore performance measures and incentives, and how they can be aligned with one another to improve performance and create shared value.

Picking up where our manufacturing collaborative left off in Exercise 3, they are now ready to work with their talent pipeline partners to set performance goals for internal and external talent pipelines as well as align their incentives in ways that improve performance.

At the first leadership team meeting the collaborative shared their pain points measures for CNC machinists and production workers, namely increasing the number of qualified job applicants and improving retention. Also at the meeting, the collaborative's preferred providers shared the metrics they are accountable for. For the community-based nonprofit providing upskilling training, this included career advancement and job placement indicators related to the workforce funds they receive from a public workforce agency. For the community college and high school addressing new production workers, this included program enrollments and completions, which the colleges and high schools must report to the state. More recently, the community college and high school started to track industry credential attainment as a career readiness indicator.

The employer collaborative members asked for a definition of program completion and they learned that for the college and high school, it was achieved not by the satisfactory attainment of all relevant learning outcomes or competencies but by a passing letter grade assigned by a trainer or instructor. This grade included attendance, completion of assignments, and several other factors. The community-based nonprofit had a pass-fail program, but what made its program different was that it did not allow more than three unexcused absences or else the participant received an automatic fail. After hearing this, the manufacturers were very interested in tracking learner attendance and completion of assignments as a predictor of success.

Moving on, the manufacturers inventoried the incentives that they currently provide to education and training providers. Their goal was to better manage those incentives in ways that would help improve the performance of their talent pipeline. Collaborative members discovered that they each sponsored facility tours for younger learners in the fall and spring. One of the companies also allowed its employees to make classroom visits to promote jobs in the manufacturing sector and many employees also served as mentors to interested learners. The companies recognize this volunteerism annually in industry newsletters.

However, little to no marketing, advertising, or coaching was provided to current workers about career advancement opportunities. In light of their decision to pursue an upskilling pathway, the collaborative was eager to find ways of incenting and supporting workers seeking career advancement. They worked with the community-based nonprofit to see which of their support services were most effective based on prior results and the employers offered to pool their funds and jointly contract for their transportation and child care services.

1 of 2

In addition, all of the companies involved in the collaborative offered some type of internship program. However, the internships were only available to the community college students and there was wide variation in the number of internships offered in any given year, when they took place, and how the program was delivered and assessed. Even though the internship programs lacked consistency, what little evidence was available suggested that learners who had an internship were more likely to continue in their studies and pursue full-time employment with the company.

The collaborative also considered a new mentorship program where newly upskilled CNC machinists could coach promising production workers. Those workers would be allowed time on the job to shadow the CNC machinists. As an incentive for coaches, the employer collaborative agreed to offer them performance pay for each production worker that is successfully upskilled in their new position.

One of the collaborative members piloted a new program with the community college in which they provided toolkits free of charge to 15 low-income learners that stood out in terms of their commitment to the program and their volunteerism. Each toolkit was valued at $250 and prominently featured the company's logo. Feedback from the providers was that this significantly reduced learner fees and those that received the toolkit were more motivated to complete the program, with many inquiring about potential internship opportunities with the company.

After reviewing the exercise, discuss the following:

1 Identify which measures are leading "transition" measures versus lagging "bottom-line" measures. How might you recommend aligning performance metrics? Explain your answer.

2 By going through this process, what are some potential decisions that can be made about incentive offerings? Of the employer incentives currently provided, which are most important to improving performance? Explain.

3 How would you recommend the companies and provider partners manage internships going forward?

4 What are additional performance measures and incentives not mentioned in the example that the collaborative might want to consider?

Ready for Next Steps?

Before you move to the next strategy, make sure you have achieved the learning objectives necessary to move forward. Ensure that when you go back to your community, you will be able to execute the following activities:

- Decide on whether to build an internal talent pipeline, external, or both.

- Develop preferred provider criteria and designations.

- Co-design a talent supply chain through value streams with designated preferred providers.

- Align and organize learning outcomes with competency-based hiring requirements using competency and curriculum mapping tools.

- Develop and select performance measures and design performance scorecards.

- Inventory and align employer incentives in ways that improve performance.

- Use the Strategy 5 Action Plan at the beginning of the chapter to determine your next steps and track your progress.

- For those using the TPM web tool, use the tool to develop a value stream map and create a performance dashboard including the selected performance measures.

NOTES