

M I N N E S O T A

Business Services Specialists



2009 ANNUAL REPORT

Message from the Director

In response to increasing demands from businesses around the state, the Minnesota Department of Employment and Economic Development (DEED) in 2004 created a new Business Services unit, consisting of 40 Business Services specialists, to help companies develop customized business solutions and assist them in meeting their emerging workforce needs.

Five years into this important initiative, I'm proud to present this report on our activities and achievements. This report focuses on the 2009 fiscal year, but it also depicts the successful growth and evolution of DEED's Business Services initiative since its inception. From the beginning, our specialists worked directly with employers to address their business needs – particularly their need for skilled and qualified employees – and we continue to offer a reliable evaluation of labor market conditions and provide credible solutions for businesses as they recruit, hire, and train their employees.



In the past year alone our statewide team of Business Services specialists engaged in 4,790 personal business consultations. We offered advice and guidance to employers who faced critical layoff situations. We created a partnership with the Dislocated Worker Program, cross-trained our staff and assembled a Rapid Response team to assist workers who were laid off through no fault of their own. We provided assistance to hundreds of job seekers in Minnesota's WorkForce Center System.

During the past year and throughout our history we have sought alternative solutions for businesses confronting difficult decisions about workforce reduction and developed creative strategies to help them save jobs. From the beginning, our commitment to a collaborative partnership model has ensured that we would live fully into DEED's mission to support the economic success of individuals, businesses, and communities by improving opportunities for growth.

In this report you will find data, trends, business impact survey results and a sampling of real business success stories from every region of our state. And you'll find ample evidence, as our business customers told us time and again, that our Business Services specialists help companies save time and money, increase profit and productivity, and reduce their liability. It's a story that we are proud to tell about an initiative that is working well.

We are proud of the work that we do and pleased to share these accomplishments with you as we celebrate five years of shared success.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erik Aamo', written in a cursive style.

Erik Aamo
Business Services Director

Executive Summary of Statewide Business Services Consultations

July 1, 2008 - June 30, 2009

Consultations Overview

- Field staff conducted **4,790** consultations with **2,919** business establishments
- **11,158** referrals and/or actions were taken based on the identified needs

Hiring

- Currently Hiring: **1,487**; anticipating hiring in future: **625**
- **1,147** or **24 percent** of business establishments received assistance with hiring issues during at least one consultation
- Actions Taken/Referrals Made as a Result of One or More Visits: **3,001 (27 percent)**

Human Resource Administration

- **988** or **21 percent** of business establishments received assistance with HR administration issues during at least one consultation
- Actions Taken/Referrals Made as a Result of One or More Visits: **2,411 (22 percent)**

Recruitment

- **771** or **16 percent** of business establishments received assistance with recruitment issues during at least one consultation
- Actions Taken/Referrals Made as a Result of One or More Visits: **1,665 (15 percent)**

Training

- **446** or **10 percent** of business establishments received assistance with training issues during at least one consultation
- Actions Taken/Referrals Made as a Result of One or More Visits: **895 (8 percent)**

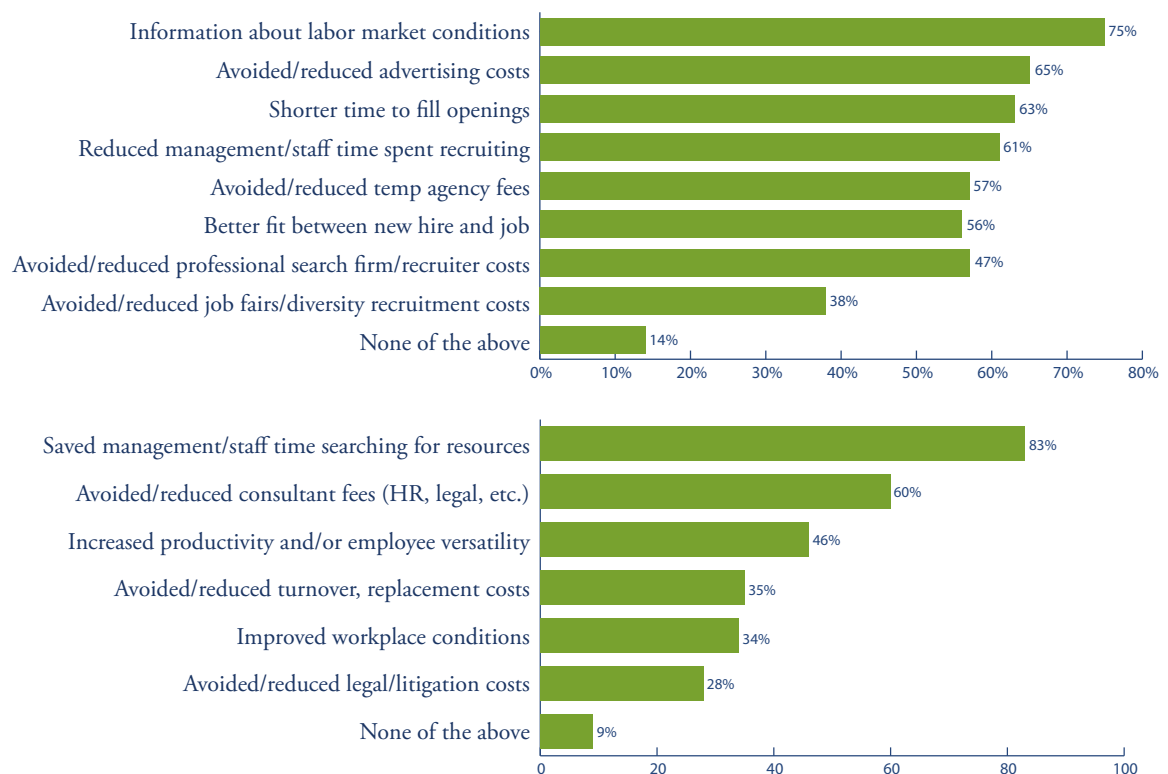
Retention

- **271** or **6 percent** of business establishments received assistance with retention issues during at least one consultation

Business Impact Survey Results

July 1, 2008 - June 30, 2009

Here is what businesses are saying about short- or long-term benefits gained by the organization as a result of the Business Service specialists assistance with recruiting/hiring.



Northwest Region

Wells Technology: Making a difference in a rural economy

Tim Qualley, Business Services specialist in Bemidji knows full well: There's no room for error on Andy's floor. No nicknames. No smoking. He runs a clean shop, literally. His work in training then hiring former offenders, and his long-standing generosity to the Native American community is known from sea to shining sea.

For that and much more, Bemidji manufacturer Andy Wells, owner of Wells Technology, was named Minnesota Small Business Person of the Year by the Minnesota Small Business Association. In 2009 he was honored at the White House by President Obama for using profits from his company to support Wells Academy, a year-long, paid training program that trains CNC machinists.

When Wells told Kari Howe, northwest DEED business development regional representative, and Qualley how tough it was to recruit skilled "Swiss Milling" CNC machinists for precision manufacturing work, Qualley drew in all his contacts.

Wells' plans to start Wells Academy were well underway, while Qualley searched for a Minnesota State Colleges and Universities (MnSCU) relationship that would make a Job Skills Partnership (JSP) grant possible. Once Wells' training plan was accepted by Bemidji State University's Center for Research and Innovation (CRI), an MJSP grant was approved, and CRI and Wells set up a training program available on CD for ongoing use.

Students spend their days both in the classroom and on the shop floor training with a mentor where they apply what they learned on the machines. Wells Academy pays the student-trainees, and they earn raises as they progress. The mentor receives an additional 10 percent of the trainee's wages while working with them. Eventually the trainee is ready to work the machines without supervision.

Qualley also worked with the Minnesota Department of Labor and Industry to get Wells Academy's apprenticeship program certified. Now students earn an apprenticeship certificate upon successful completion of the program, which they can use if they decide to leave for another employer.



Andy Wells was honored at the White House by President Obama.

"Andy prides himself in training and hiring those that others left by the wayside, and turning their lives around is his goal," Qualley said. Because Wells focuses on hiring youth who are at risk, long-term unemployed, former offenders and individuals who rely on safety-net programs, Qualley sees the Bonding Program and Work Opportunity Tax Credit as a good fit for this manufacturer.

As a result of Qualley's work, Rural Minnesota CEP has contracted with Wells for training. He's checking with Unemployment Insurance Field Audit to determine if the wages that students earn while in training can be exempt from UI taxes and claims. And he's working with the Red Lake Tribe on writing Pathways out of Poverty grants, which could result in more Wells Academy training dollars.

"Wells Technology has been an exciting business to work with," Qualley said. "Making the proper referrals and watching everything fall into place has been a very rewarding experience and a testimonial of how Business Services specialists can make a difference in people's lives and the rural economy."

Northwest Region Data Highlights

- 1,180 consultations with 835 businesses
- 2,463 referrals/actions taken
- Hiring, HR, Recruitment, Retention & Training 71 percent
- Additional Business Needs 29 percent



LSS counselors learn about WorkForce Center services.

Meeting the hiring needs of LSS Financial Counseling Service

For an area that faced more than 9 percent unemployment much of the year, the announcement of 30 new jobs was welcome news to **Lisa Wick**, Business Services specialist, Duluth WorkForce Center.

This year Lutheran Social Service (LSS) of Minnesota announced they will be adding up to 30 positions in Duluth by expanding the Financial Counseling Service. LSS Financial Counseling Service is the largest provider of full-service, community-based financial counseling in Minnesota. Financial counselors provide budget counseling, debt and credit help, foreclosure prevention, reverse mortgage counseling, financial education workshops, and bankruptcy counseling.

Business Services was part of a thorough economic development process, and the Duluth WorkForce Center, City of Duluth and Business Services presented proposals for service. Ultimately, LSS identified Duluth as the expansion site over other Minnesota locations.

Northeast Region Data Highlights

- 362 consultations with 296 businesses
- 1,156 referrals/actions taken
- Hiring, HR, Recruitment, Retention & Training 72 percent
- Additional Business Needs 28 percent

Throughout this expansion, Business Services provided assistance during the recruitment and hiring process. Ten financial counselor positions have been added thus far, she said, and Business Services assisted with every step of the process, especially in recruitment and prescreening. Wick pre-screened applicants based on Lutheran Social Services' hiring criteria. She reviewed hundreds of applications, resumes and cover letters during several on-site visits to narrow the candidate pool and increase the efficiency of the hiring process.

LSS uses MinnesotaWorks.net to advertise job openings, including the financial counselor positions. To capitalize on the strengths of the database, Wick helped manage the job posting process, monitor the postings and keep them current. Wick also notified the five Duluth WorkForce Center partners of the openings, hiring requirements and application instructions.



Keeping current with financial tools a must.

Because financial counselors often work with unemployed individuals, LSS was interested in learning about all WorkForce Center services. Wick coordinated a training session for 45 LSS employees covering tools and information the financial counselors will be able to use in their job.

“The most valuable information our counselors learned was the importance of motivating and working with the client to really make the system work for them,” said Dan Williams, program director, LSS Financial Counseling Service. “It’s important to go to the WorkForce Center, take the classes and use their resources,” he said. “Lisa has assisted in a variety of ways, from helping to craft a new job posting to sorting and critiquing applicants’ resumes,” said Williams. “She has been very accommodating to our schedule and willing to meet on short notice when deadlines are looming. We greatly appreciate her professional demeanor and expertise in the hiring process.”

Central Region

Larkin emphasizes year-round C2C programming to central Minnesota businesses



Manufacturing matters to Business Services specialists throughout Minnesota. Collective engagement with the manufacturing community to better understand their needs in workforce capacity, collaboration with education and state government's role have resulted in a major manufacturing report; the ground-breaking Intsimbi Partnership, a skill exchange with South African training institutions; and Camps to Careers (C2C).

This year, 10 Camps to Careers “graduates” from Cambridge and 10 in the Willmar and Hutchinson areas went on to industry-related internships with dollars from Pathways to Employment, a comprehensive employment Medicaid infrastructure grant funded through the Ticket to Work and Work Incentive Improvement Act of 1999.

Camps to Careers coordinator **Alyssa Klein** said the program's 10 camps attracted about 115 youth participants statewide before finishing in August.

What made this year different, Klein said, was more local group involvement in the camp planning process. The camps – which receive funding solely from Pathways to Employment – were more closely tailored to local economies.

Now in its third year, Camps to Careers provides young men and women with disabilities the opportunity to explore and prepare for manufacturing and – new this year – health care careers. The program encourages high school students and recent graduates to “try on” a career through hands-on shop floor or college classroom projects.

Campers tour manufacturing or health care facilities in their region and participate in other job-related activities. **Valerie Larkin**, Business Services specialist, St. Cloud WorkForce Center, arranged Camps to Careers tours of manufacturing businesses in central Minnesota and keeps businesses abreast of year-round Camps to Careers programming.

Larkin's relationship with the educational community was also broad and deep: Her communications with St. Cloud Technical College opened the door to relationships with St. Cloud State University and District 742 Project Lead The Way instructor. She was in continuous contact with college instructors and maintenance staff and assisted with food

planning and student interviews. She also promoted the program to teachers.

“As we help youth make career decisions and prepare them for demand-driven jobs, Valerie brings the central Minnesota business perspective to our C2C planning,” Klein said.

Even after camp is done the fun continues. Campers can continue to receive guidance on the resources and further assistance they'll need to take in their career development.

Minnesota C2C started with a one-camp project that began in 2007 when 18 young adults with disabilities were introduced to the possibilities of a career in manufacturing. At that time the enthusiastic and positive response – “Cool place to learn!” and “So many options!” were among the quotes from participants – encouraged Pathways to Employment to expand the program to four manufacturing camps in 2008.

“Camps to Careers is gaining momentum,” said **John Fisher**, Vocational Rehabilitation Services public affairs director. “The 2009 program expanded again to include more camps, more regions of the state and more in-demand careers,” he added.

Under discussion for next year's C2C is a name change that would attract adults to the career exploration program. Career exploration and planning doesn't need to happen in a camp setting. “We had a good summer,” said Klein. “Based on our success we believe there's room to grow the program and the role of business. E-mentoring, internships and skill development can't be accomplished without business participation.”

Central Region Data Highlights

- 678 consultations with 366 businesses
- 1,611 referrals/actions taken
- Hiring, HR, Recruitment, Retention & Training 77 percent
- Additional Business Needs 23 percent

Boiler operator project makes statewide impact

If you're searching for a model public-private response to an industry workforce shortage, just ask **Sondra Rademacher**, Business Services specialist, Mankato WorkForce Center.

During a business economic development meeting with an employer in 2007, she learned that the employer and others throughout the state were having a difficult time hiring and retaining 1st Class 1A boiler operators due to the growth and expansion of ethanol and biodiesel plants. Could the Minnesota Department of Labor and Industry (DLI) review and change current licenser requirements? Would DLI consider shortening the length of time needed to acquire a 1st Class 1A license by off-setting an individual's education, coursework, and/or training in lieu of the current hours/experience needed to address the shortage of workers in this class?

Rademacher spent five months contacting more than 200 south central, southeast, southwest and northwest Minnesota employers that hire 1st Class 1A boiler operators – and all were having difficulty hiring this class of boiler operator. What did she find?

“There just is not enough 1st Class 1A boiler operators to keep up with the supply and demand due to growth and expansion of ethanol and biodiesel industries, retirements, and the time it takes to acquire a 1st Class 1A license,” Rademacher said.

Rules and regulations have not changed for more than 100 years – and need to be reconsidered to meet the demand. “Changes to the current regulations – such as off-setting hours and experience currently required by allowing education, coursework or training in lieu of current hours and experience needed, implementing a DLI-regulated provisional license to 2nd Class 1A operators so employers can remain operational, and reviewing and bringing current regulations up-to-date with industry technology advancements – would go a long way to meeting the demand,” she said.

Rademacher coordinated a boiler operator open forum with employers and called upon DLI, MnSCU and DEED representatives, union and industry association leaders, Senator Kathy Sheran (DFL-Rochester) and Representative Bob Gunther (R-Fairmont) to attend. More than 140 did.

As a result, DLI asked those at the forum to serve on a boiler operator advisory committee. Twenty members have been meeting since September 2007 to address short- and long-term solutions to the 1st Class 1A boiler operator workforce shortage.

“Sondra did a very good job coordinating all the meetings and documents, clarifying questions for those participating in the boiler licensing effort, and preparing materials for the legislative changes necessary within the boiler code,” said James Zyduck, Xcel Energy, who served on the boiler operator advisory committee.

“Sondra coordinated the whole initiative, brought all the parties together and, as a result, the process is not as burdensome on employers,” said Joel Amato, chief boiler inspector for the state of Minnesota. “Boiler operator study materials have also been updated,” he added.

The advisory committee worked to change legislation, and in 2008, new legislative language made it easier for employers to hire boiler operators with a provisional license. Today, the advisory committee is building a greater foundation with education; and businesses across many industries have since hired boiler operators with a provisional license because of this systematic change.

Southwest Region Data Highlights

- 547 consultations with 281 businesses
- 983 referrals/actions taken
- Hiring, HR, Recruitment, Retention & Training 77 percent
- Additional Business Needs 23 percent

Southeast Region

New heights for Vertical Limit

Vertical Limit Construction, LLC., a Wanamingo-based construction company that began with the installation and maintenance of wireless communication towers eight years ago, recently expanded with two new divisions: crane services and wind energy. During the last 3.5 years of their growth, Jody Bickley, human resource manager, states their employee count has doubled. “The job posting coverage we get through our listings on MinnesotaWorks.net has been a great tool for the successful employment of a number of our field construction laborer positions. After a job posts on their Web site, we get applicants responding within an hour.”

“As our company has grown, it has been a natural progression for us to include crane services and wind energy site installation to our list of services,” Bickley stated. “Every phase of our projects can be completed by utilizing our company’s manpower and equipment. We can ensure our client that their project will move swiftly, yet still designate enough time for the high quality of work that we built our reputation on.” Vertical Limit has an impressive clientele of nationally recognized wireless providers and has realized a surge of significant alternative (wind) energy customers since adding this division a few years ago.

Supporting Bickley with the growth of Vertical Limit’s construction labor force is a team of Business Services specialists, **Vicky Koehn** and **Sue Wold**, from the WorkForce Center.



“They would ask me how they could be of assistance and since recruitment was our most immediate need, this was where I put them to the task of posting recruitment ads that helped build our labor pool of experienced construction workers. This labor support was vital to



sustaining the upward growth of our rapidly expanding business,” Bickley said. Bickley reflected on their meetings noting, “Vicky and Sue’s follow-through was excellent.”

While Vertical Limit was in the height of their growth mode, Wold became Bickley’s ‘right hand’ in recruitment of field labor. “We invest a significant amount of time and money with specialized training of our field personnel before they are allowed on a job site. We look carefully for particular skills that are required for our industry,” Bickley said. Having a broad statewide reach of applicants from MinnesotaWorks.net has been beneficial to Vertical Limit. “We have job sites throughout the U.S. and we work year-round, so having workers that are accustomed to inclement weather conditions is a necessity.”

Recruiting through DEED was not only helpful, but also resulted in a cost-savings by helping reduce their print ads. “I appreciate Sue and Vicky’s support as DEED Business Services specialists. They have a lot to offer. I look forward to including their services while planning for further expansion in 2010.”

Southeast Region Data Highlights

- 741 consultations with 401 businesses
- 1,656 referrals/actions taken
- Hiring, HR, Recruitment, Retention & Training 76 percent
- Additional Business Needs 24 percent

Business Retention and Expansion Strategies Program: Ethnic chambers bring team spirit from good to great

Some of the most exciting work in Business Services today happens among local businesses and chambers of commerce to prepare Minnesotans for new jobs, said **Laura Miller**, Business Services specialist.

With support from the University of Minnesota Extension and several other partners, including the metro Business Services team lead by **Terrell Towers**, the overall project focus is on helping business members of six ethnic chambers of commerce solve problems, become more competitive, improve public relations and get to know the local business climate's strengths and weaknesses through the Ethnic Chambers Business Retention and Expansion Strategies Program.

The six chambers involved in the Ethnic Chambers Business Retention and Expansion Strategies Program are: Minnesota Hispanic Chamber of Commerce, Minnesota American Indian Chamber of Commerce, Minnesota Black Chamber of Commerce, Minnesota Hmong Chamber of Commerce, Pan African Chamber of Commerce, and Vietnamese American Business Association.

Business retention and expansion are keys to local economic development, **Joe Klein**, Business Services specialist said, and more jobs are created by business expansions than startups. Ethnic chambers will see clear benefits to the program.

"In the program launch, ethnic chambers have the potential to improve the climate for their member businesses," Miller said. "Community surveys identified

strengths and weaknesses, which offer opportunity for businesses to make responsive changes, and the entire project process has enhanced the team of local leaders, who offer more than the traditional business and economic development perspectives," she said.



Some sauce with a smile.

More than 60 businesses participated. Ethnic businesses had a long list of 'warning-flag' issues related to business closings and relocations ("How do we find additional warehouse space?"); expansion (how to get into corporations to conduct business); information requests (bonding, succession planning, international trade); financing (access to funding); technical assistance ("not sure who does what"); cultural barriers (need mentors, racial stereotypes, language); labor concerns (need more training, adding staff, don't know what a union does); and insurance (group insurance, cost of health insurance).

After hours spent uncovering and discussing the issues facing ethnic businesses, four strategies emerged: Identify and exploit opportunities for business growth into target markets; address and mitigate barriers to finance capital and credit; collaborate as a joint council of ethnic chambers; and improve business productivity through skill enhancement and development.

"Communities know that helping existing businesses survive and grow is vital," Miller said. "This project really digs into the many ways government, nonprofit, educational and community leaders can work in concert to close some gaps and meet the needs of ethnic businesses."

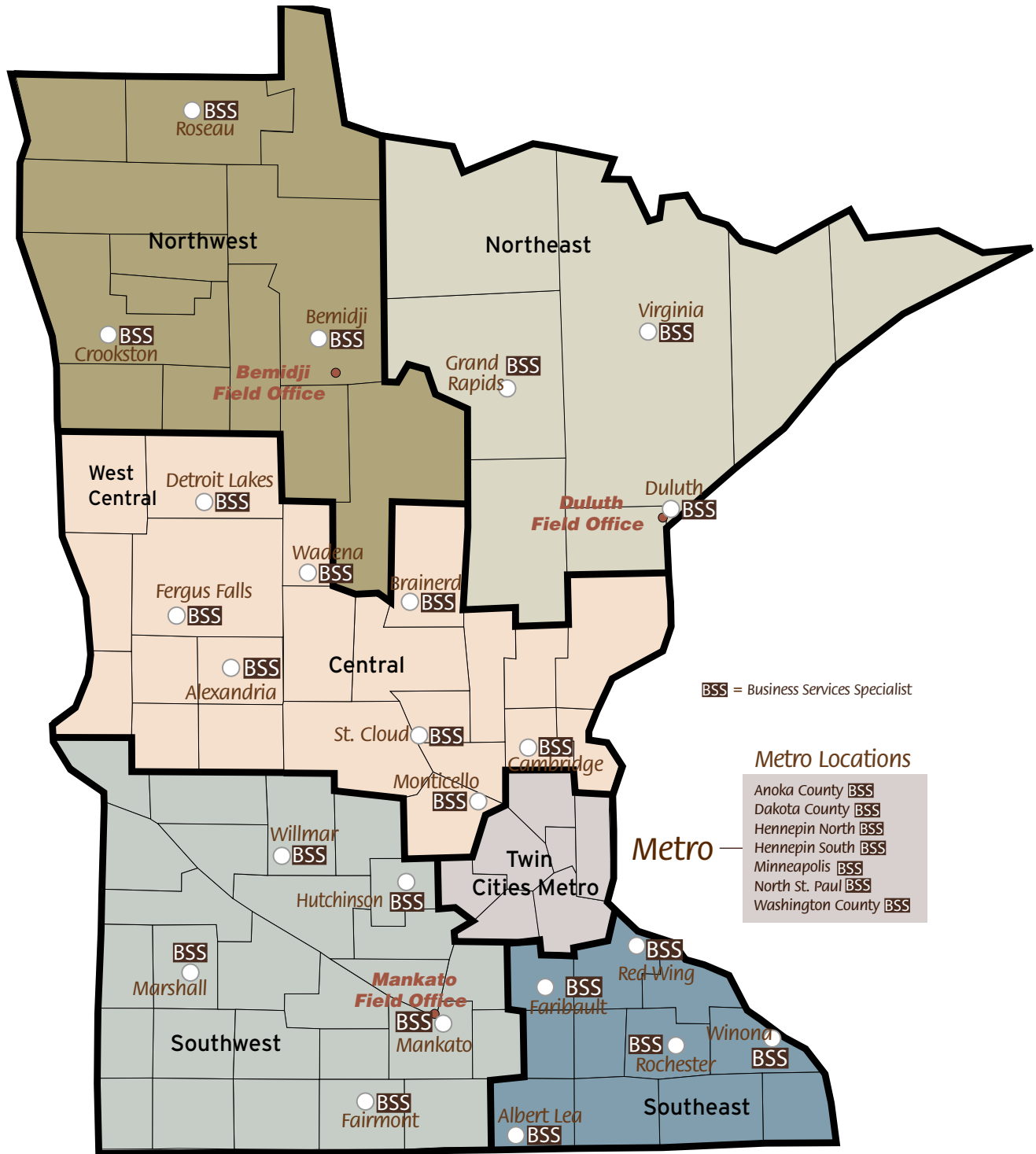
The collaboration among community leaders, University of Minnesota Extension and DEED's Business Services specialists was a great marriage, said Claudia Cody, University of Minnesota Extension.

"DEED's involvement was crucial," she said. "Laura and Joe were a marvelous team. They jumped on board immediately and worked hand-in-hand to make the calls and knock on businesses' doors. Their work has empowered our community business leaders and really gets to the core of our extension services," she said.

Twin Cities Region Data Highlights

- 1,282 consultations with 764 businesses
- 3,401 referrals/actions taken
- Hiring, HR, Recruitment, Retention & Training 79 percent
- Additional Business Needs 21 percent

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