



A COLLABORATIVE ACTION PLAN: FOR THE EAST CENTRAL WISCONSIN REGION

East Central WISCONSIN, USA
January 2015

This regional action plan has been developed as part of the Oshkosh Regional
Defense Industry Diversification Initiative

PROJECT LEADERS



This Collaborative Action Plan and set of strategic recommendations is presented as the culmination of the Regional Collaboration Charrette program conducted by Future iQ Partners as a component of the Oshkosh Regional Defense Industry Diversification Initiative (ORDIDI). This report is accompanied by a series of three other items – the Fox Valley Network Platform, a comprehensive industry diversification options analysis, and a summary report of the surveys produced as part of this process. The collaborative action plan also incorporates the perspectives of the participants of the Regional Collaboration Think Tank sessions hosted on December 8 and 9, 2014. The work is funded through a grant from the United States Department of Defense Office of Economic Adjustment to the East Central Wisconsin Regional Planning Commission which was precipitated by the loss of more than 2,000 positions at Oshkosh Corporation's Defense Division since 2013.

TABLE OF CONTENTS

1.0 Summary.....	6
2.0 Action Planning Process	8
3.0 Scenario Planning Process and Scenario Descriptions	9
3.1 Creating Four Plausible Scenarios for the Future	10
3.1.1 What is The Future Game?	10
3.2 Axis Themes	11
3.3 Creating Scenario Narratives.....	13
3.4 Plausible Scenario Descriptions	14
3.4.1 Scenario A: The A Team:	
Focusing on Our Foundation.....	14
Scenario Characteristics	14
Headlines	16
3.4.2 Scenario B: Prosperity and Passion.....	17
Scenario Characteristics	17
Headlines	19
3.4.3 Scenario C: Bootstraps and Balkanization	20
Scenario Characteristics	20
Headlines	22
3.4.4 Scenario D: Muddling Through	23
Scenario Characteristics	23
Headlines	25
3.5 Measuring Expectations and Preferences.....	26
4.0 Defining the Preferred Scenario and Building a Plan for Action.....	29
4.1 Issue Area Characteristics.....	30
4.1.1 Industry Diversification.....	30
4.1.2 Supply Chain and Market Development.....	32
4.1.3 Economic Development Ecosystem.....	33
4.1.4 Workforce Development Ecosystem	34

5.0 Action Plan – Recommendations	36
5.1 Industry Diversification	37
Opportunity.....	37
Challenges.....	38
Bright Ideas	40
Key Partners	40
5.2 Supply Chain and Market Development.....	41
Opportunity.....	41
Challenges.....	41
Bright Ideas	43
Key Partners	43
5.3 Economic Development Ecosystem Collaboration	44
Opportunity.....	44
Challenges.....	44
Bright Ideas	47
Key Partners	47
5.4 Workforce Development Ecosystem Collaboration.....	48
Opportunity.....	48
Challenges.....	48
Bright Ideas	51
Key Partners	51
6.0 Regional Mass Layoff Aversion Strategy.....	52
6.1 Phase One – the Expansion of Business	
Retention and Expansion Outreach Activities	54
6.2 Phase Two – An Increase in Incumbent Worker Training	55
6.3 Phase Three – Development of an Early Warning System	56
6.4 Phase Four – the Development of a Regional Industry Diversification Strategy	58
7.0 Next Steps.....	59
8.0 Acknowledgments.....	60



1.0 SUMMARY

This Collaborative Action Plan and set of strategic recommendations is presented as the culmination of the Regional Collaboration Charrette program conducted by Future iQ Partners as a component of the Oshkosh Regional Defense Industry Diversification Initiative (ORDIDI). This report is accompanied by a series of three other items – the Fox Valley Network Platform, a comprehensive industry diversification options analysis, and a summary report of the surveys produced as part of this process. The collaborative action plan also incorporates the perspectives of the participants of the Regional Collaboration Think Tank sessions hosted on December 8 and 9, 2014. The work is funded through a grant from the United States Department of Defense Office of Economic Adjustment to the East Central Wisconsin Regional Planning Commission which was precipitated by the loss of more than 2,000 positions at Oshkosh Corporation's Defense Division since 2013.

While the region faces significant future demographic and economic challenges, the ORDIDI process represents a strategic opportunity to develop coordinated strategies to avert mass layoffs and develop a more collaborative ecosystem. For the purposes of this study, the region is defined to include Calumet, Fond du Lac, Outagamie, Waupaca, and Winnebago County. The regional collaboration Charrette process is one of five projects currently funded through the ORDIDI project. The overall effort is being coordinated by the East Central Wisconsin Regional Planning Commission and focuses on the five-county area most profoundly affected by the ongoing layoffs. However, due to the economies of

the area, many of the concepts and recommendations apply to communities, counties and economic development entities beyond these five counties. East Central, in partnership with other regional stakeholders including, but not limited to the City of Oshkosh, Fond du Lac County Economic Development Corporation, Fox Cities Chamber of Commerce and Industry, New North, Oshkosh Chamber of Commerce, University of Wisconsin Oshkosh, Fox Valley Workforce Development Board and state organizations such as the Wisconsin Economic Development Corporation and Wisconsin Manufacturing Extension Partnership initiated this strategic planning process for the region. It has broadly been determined that the region's economic and workforce development ecosystems need to embrace a greater sense of collaboration and pursue strategies of industry diversification and entrepreneurial development over the course of the next 5–10 years.

The regional collaboration Charrette process was conducted between September 2014 and January 2015, and involved the participation of more than 250 regional stakeholders, including economic and workforce development professionals, educators, elected officials, and business leaders. Efforts were made to ensure that a robust set of perspectives and opinions were considered. Numerous opportunities to provide input into the process were offered, both in the form of a series of surveys, as well as a number of group sessions, including the Regional Collaboration Think Tank.

This Collaborative Action Plan is not intended to represent the 'total solution,' but aims to identify a series of focused actions that can be achieved over the next two years. In most cases, they are intended to be catalytic, such that they provoke new ideas and actions, and begin the process of industry diversification and systemic change within the regional economic and workforce development ecosystems. Recommendations are targeted to specific local actions that can help steer the region towards the preferred future. The recommended actions have been grouped under five key themes, which were repeatedly highlighted throughout the survey and think tank sessions.

These themes are as follows:

- Industry Diversification
- Supply Chain and Market Development and Diversification
- Regional Economic Development Ecosystem Collaboration
- Regional Workforce Development Ecosystem Collaboration
- State and Local Government Collaboration

The themes are not intended to be mutually exclusive, but rather represent a more comprehensive vision of a plausible regional collaboration and economic growth strategy. A number of common threads, including assessments of the performance of the regional economic and workforce development ecosystem, concerns about parochialism, and potential duplication of effort are persistent throughout each of these topics and present possible challenges to execution of the proposed recommendations. The hope is that the regional collaboration Charrette process and the conversations initiated throughout will spark strategic actions to address these concerns.

2.0 ACTION PLANNING PROCESS

This Collaborative Action Plan is part of a five-month long process undertaken as part of the Oshkosh Regional Defense Industry Diversification Initiative. (For more information, please consult the Industry Diversification Strategy Options Analysis and Regional Survey Analysis technical reports that have been prepared for this project.)

The Collaborative Action Plan development has been built on a strategic model that stresses stakeholder engagement. A number of opportunities have been provided for the region's economic and workforce development stakeholders, as well as regional leaders in education, government, and the private sector to offer their perspectives. The key components of the planning and engagement process include:

- Oshkosh Business Perspectives and Impact Survey – September/October 2014 (N=52)
- Oshkosh Service Providers Perspectives Survey – September/October 2014 (N=73)
- Fox Valley Network Mapping Survey – October 2014 (N = 198)
- Fox Valley Regional Collaboration Charrette Stakeholder Brief – November 13, 2014 (N=48)
- Fox Valley Regional Collaboration Think Tank – December 8 and 9, 2014 (N=45)
- Fox Valley Regional Collaboration Think Tank Survey – December 8, 2014 (N=35)

Each of the initial surveys explored where people saw the impact of the Oshkosh Corporation layoffs, future economic growth prospects, and the effectiveness of the regional economic and workforce development ecosystems. These surveys shaped the basis of the two principal themes of Industry Diversification and Regional Collaboration that guided the formation of the scenario space explored in the Think Tank. The Network Mapping survey served as the basis for the construction of the collaboration and technical information network maps hosted at <http://foxvalleynetwork.com>. The network mapping platform identifies key linkages between organizations within the five-county region, as well as significant gaps and opportunities for future collaboration.

In total, more than 450 unique data inputs were made throughout this process representing the perspectives of more than 250 individuals (a number of individuals participated in multiple aspects of this process). Each survey administered included multiple questions, and collected both quantitative and qualitative data elements. The findings of these surveys are explored in greater detail in the Regional Survey Analysis technical paper and serve as the basis for the dominant themes explored in the Regional Collaboration Think Tank. The sum of these observations represents a robust and comprehensive engagement process, and serves as the basis for a Collaborative Action Plan built around regional consensus. The recommendations outlined in the following sections of this report have been summarized from the dominant themes and ideas presented in the surveys, Network Mapping Platform, Regional Collaboration Think Tank, and subsequent conversations with key stakeholders.

3.0 SCENARIO PLANNING PROCESS AND SCENARIO DESCRIPTIONS

To begin planning for the future of the region, and commence the process of defining a shared vision, the region elected to engage in an innovative Scenario Planning Process. This involved engaging forty-five regional leaders and stakeholders in a Regional Collaboration Think Tank, held in Oshkosh on December 8 and 9, 2014. The objective of this planning event was to:

- Deepen an understanding of how regional conditions shape decision-making;
- Identify and understand the key drivers of industry diversification and regional collaboration.
- Create and describe four plausible long-term scenarios for the region; and,
- Begin exploring the barriers and opportunities presented around a shared regional vision.

The scenarios developed during this Scenario Planning Process and outlined in this chapter are important to provide a “vehicle” to be used in the process of building a shared vision for the future of the region. In addition, the think tank deliberations can assist in identifying key actions for the region and assist in identifying how various groups might best contribute to future developments.

Scenario Planning is a method that is used to develop plausible scenarios for the future. Scenarios are not predictions, but are a way of exploring plausible futures – those futures that are mostly likely to occur given different conditions. The method differs from traditional strategic planning as it allows the exploration of many factors, or drivers of the future, concurrently. It does so by using local knowledge and expectations about the drivers to produce a framework that defines and explores a range of plausible futures. In this manner the approach enables people to explore the impacts and consequences of a range of different future pathways.

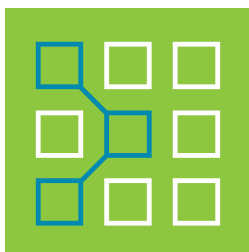
Generally, Scenario Planning processes are run over several days, weeks, or even months. A condensed form of Scenario Planning, developed by Future iQ Partners, was used in this project so that the scenario session was completed in two half-day sessions. This design is intended to allow otherwise busy and committed people to contribute and participate in a future planning process in an effective and efficient manner.

This design relies on sufficient background information being presented to enable realistic and informed evaluation by the participants. It also requires participants who are broad-minded and freethinking, and who collectively and individually can bring their experience to the identification of the key drivers and to the development of the scenarios.

3.1 CREATING FOUR PLAUSIBLE SCENARIOS FOR THE FUTURE

The centerpiece of the scenario planning process is the creation of a four-quadrant scenario space which is divided by two axes defined by key drivers or themes. In a standard setting, workshop participants would be asked to identify those drivers which they believe will most likely and significantly impact the region. In the interest of time, and in order to be consistent with the Charrette process identified by ECWRPC, a set of two axes were predefined in earlier research. Characteristics of these two axes – industry diversification and regional collaboration were then defined both in earlier survey research as well as in discussion with the think tank participants, further defining the scenario space. These axes then came to define four scenario ‘spaces’, with quadrants either towards or away for each driver cluster. These quadrants were used to formulate four plausible scenarios.

3.1.1 WHAT IS THE FUTURE GAME?



FutureGame

| SIMULATION
| LEARNING |

The Future Game is a simulation tool designed to explore how regional and local decisions can shape long-term economic, environmental, and community well-being. It is a great way to stimulate meaningful discussion and debate about future regional and community scenarios, and to explore decision pathways. The highly interactive and participatory game provides an enjoyable and accessible way for citizens and community leaders to engage in robust discussions about contemporary challenges of community and economic development. Over 98% of people who play the game report it as a challenging and enjoyable experience which provides real benefit to critical thinking about the future and local decision making.



3.2 AXIS THEMES

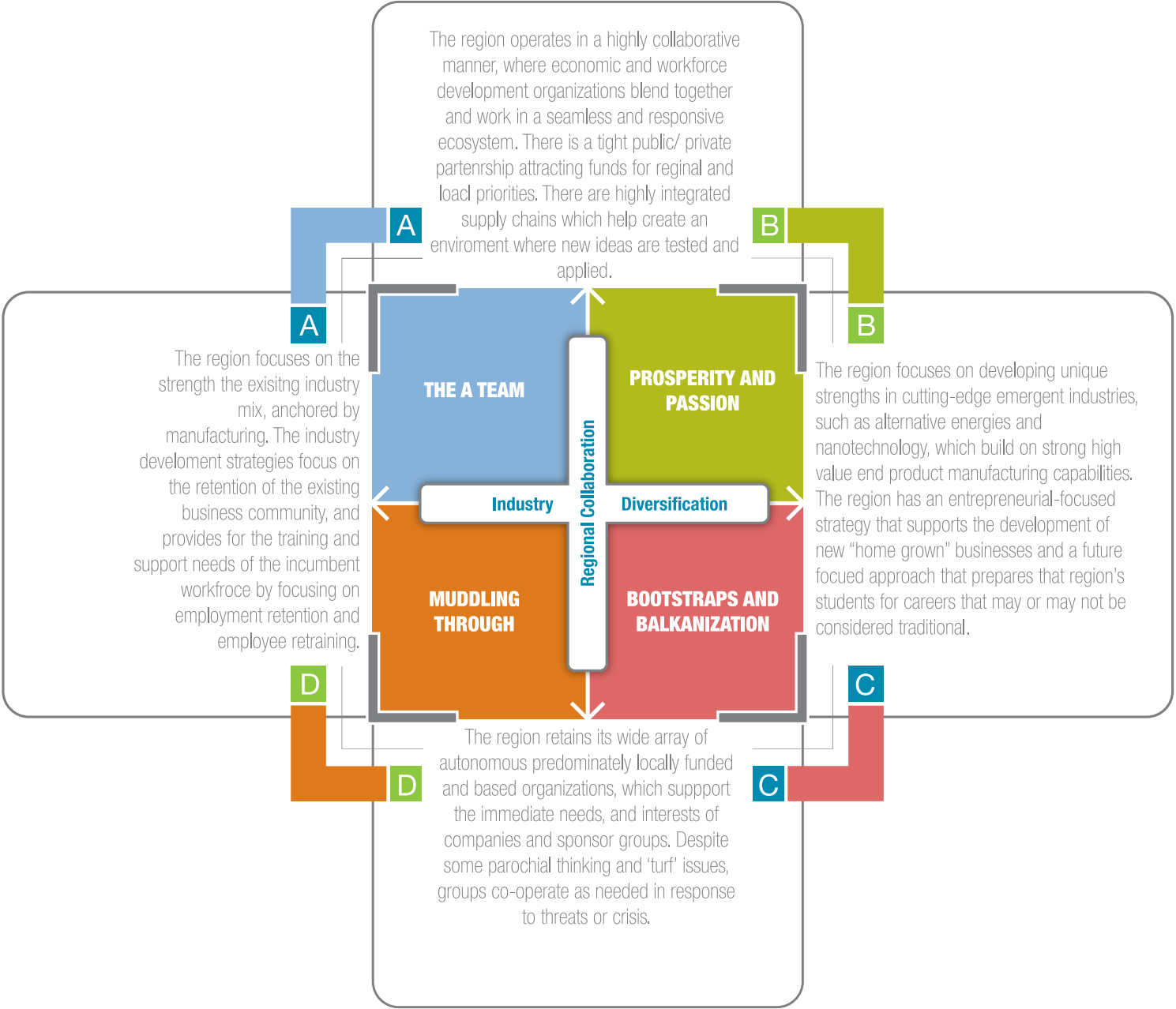
INDUSTRY DIVERSIFICATION

- Composition of regional industry mix (manufacturing-heavy versus 'new economy' focus).
- Support for entrepreneurship and innovation.
- Supply chain and market diversification.
- Importance of the role of mid-market, family-owned businesses.

REGIONAL COLLABORATION

- Focus of economic development organizations on retention of existing businesses versus growth of new firms.
- Focus of workforce development on training of incumbent workers and meeting current needs versus an orientation around career exploration and 'next generation' careers.
- Inward versus outward orientation of region's communities; spurring competition versus cooperation.
- Formation of greater cooperation and resource sharing between actors and the fostering of innovative public/private partnerships.

The four quadrants (scenario spaces), based on movement either away from or in support of the status quo of the two cluster themes, were reviewed and discussed with the participants. This discussion explored the drivers included in each scenario–shaping cluster, the scope of each cluster, and how they formed the axes that defined the four scenario spaces. The participants were asked to consider the main attributes of each of the quadrants and to begin to speculate about how the region would look in a future based on each of the quadrants.



3.3 CREATING SCENARIO NARRATIVES

Workshop participants were randomly allocated to one of four scenario groups and asked to develop a description of the future scenario for their respective quadrant. They were asked to describe how the region would develop under the conditions of their allocated scenario quadrant. They described the future regional characteristics, in 2025, in terms of the dimensions of the business sector, workforce profile, and ecosystem function.

In addition, they were asked to describe major events, depicted as 'headline news', to help visualize how the scenario would impact the region in the years 2015, 2020, and 2025. Once the scenarios had been developed, each group gave their future scenario a simple descriptive name, and then reported back to the workshop participants. Time was allowed for clarification, questions, and an assessment of the plausibility of each scenario. Each group's description of their future scenario has been used to produce the detailed narrative for each scenario, as presented in the next section of this report.

These four scenarios paint very different, but plausible futures for the region. The think tank participants considered them all as plausible futures, as in, they could actually happen. Narratives and descriptions of each scenario, as developed by the think tank participants, are included in the following section. Each scenario has its subsequent consequences and impacts on the fabric of the region – impacting the industry mix, and role of economic and workforce development organizations in different ways. No one future is the 'perfect' future, as each comes with its attendant challenges and implications. The process, however, does provide a way to tease out the future scenarios and examine them from a speculative standpoint. They represent different possibilities for the future, and are not predictions.



3.4 PLAUSIBLE SCENARIO DESCRIPTIONS

3.4.1 SCENARIO A: THE A TEAM: FOCUSING ON OUR FOUNDATION

This scenario is shaped by a future where regional collaboration grows over time, but industry diversification changes little, with the region's business community continued to be dominated by 'old economy,' traditional industries, such as manufacturing. Stakeholders in the region focus their energies in maintaining existing strengths, while coping with demographic and workforce challenges related to an aging workforce. The region's small business community is essential to its economic vitality, yet is limited in its ability to expand and innovate due to a lack of resources.

SCENARIO CHARACTERISTICS

Business Profile

- An industry profile dominated by traditional industries, such as paper production and converting, machining, defense-related manufacturing, food production, packaging, small engine production, health care, and insurance.
- Some sectors, such as transportation equipment manufacturing are dominated by a small number of large companies while others are largely composed of small (<50 employees) firms.
- Economic development organizations stress practice of "Working On Business" versus "Working In Business"
- Family-owned businesses face significant ownership succession and training needs
- Export activity is focused on the production of transitional or intermediary goods rather than finished products
- Research and development is critical for existing industries, but little innovation occurs in the creation of new emerging industries.

Workforce Profile

- The workforce is well-trained, with the education system aligned with the needs of industry
- The education system, including K-12, technical colleges, and universities serves as an effective feeder to major industries.
- Workforce needs would be filled through the promotion of transferable skills, rather than retraining.



3.4 PLAUSIBLE SCENARIO DESCRIPTIONS (CONT'D)

- The workforce will need to be more innovative in meeting increasingly demanding industry needs.
- Soft skills, such as communication and critical thinking skills will be of greater importance as the workforce declines.
- Retiring workers will be tapped as sources of new business development and mentorship of incoming workers.
- The apprenticeship system will be expanded to provide opportunities that cross multiple industries and focus on transferable skills.

ECOSYSTEM FUNCTION

- The region will create integrated educational opportunities for business transition and strategic planning for family-owned firms.
- The region will boast a great quality of life which may draw additional workers to the area.
- The region is considered to be integrated and connected with the latest telecommunications technology.
- The region's firms will have robust access to capital including private and public funds
- Regional governments will advocate for the creation of a shared property tax base
- The region's leaders will embrace the 'Pay it Forward' concept.





3.4.1 SCENARIO A: THE A TEAM: FOCUSING ON OUR FOUNDATION

HEADLINES

BUSINESS
2015
Business Consortiums Form in Region
2020
Packaging Consortium Launches Innovation Center
2025
Region Leads the Way in Manufacturing Innovation in the Nation
WORKFORCE
2015
Workforce Attraction Initiative Kicks Off
2020
Innovation Center Partners with Four Technical Colleges to Create Critical Thinkers
2025
Brain Drain Ends for Region
ECOSYSTEM
2015
Fox Valley Area Launches Regional Vision and Action Plan
2020
Fox Valley Region Named Pilot Area for Shared Tax Base Program
2025
Regional Collaboration Credited for Growth of Manufacturing



3.4.2 SCENARIO B: PROSPERITY AND PASSION

SCENARIO CHARACTERISTICS

Business Sector

- The region supports a robust Research and Development sector.
- New technology promotes the growth of new and existing industries.
- Regional supply chains collaborate and coordinated purchasing leads to significant efficiency gains.
- Relationships between business, economic, and workforce development are strong.
- Wisconsin passes pro-business legislation.
- Innovation occurs within companies of all sizes creating a number of profitable spin-offs.
- Industries develop to both fill specialized niches in the region, as well as any gaps that may exist.
- Access to capital is readily available to support expansion, modernization, and innovation.

Workforce Profile

- The workforce development system has a clear understanding of market and business needs.
- Partners from business and education meet to develop a long-term and sustainable talent pipeline.
- Companies are always investing in training, are more involved in talent development.
- Talent strategies are developed to address attraction, retention, and the needs of start-ups, with all partners having a forward-looking outlook.
- Soft skills are taught at all levels of education.
- Educational opportunities are offered and supported by strong partnerships for new and incumbent workers.
- There is a system of review comprised of business and organization stakeholders that confirms and clarifies strategic actions.
- The K-12 system is integrated with business needs.



3.4.2 SCENARIO B: PROSPERITY AND PASSION (CONT'D)

ECOSYSTEM FUNCTION

- Alignment exists at all levels of regional organizations, including economic development, education, chambers of commerce, counties, municipalities, planning commissions, and workforce development. This defines economic development in the region.
- Public-private partnerships develop to meet needs wherever possible.
- The region has a shared tax base that balances the need for a macro-level vision with equal, micro-level representation of communities.
- Funding for major projects is developed from the ground up through shared models.
- The region's stakeholders have a clear plan of 'Who Does What.'
- The region has established a strong brand that promotes its innovative mindset.





3.4.2 SCENARIO B: PROSPERITY AND PASSION (CONT'D)

HEADLINES

BUSINESS	
	2015
Innovation and Growth: It's Happening and on the Move	
	2020
Tremendous Regional Economic Growth Sparked by New and Existing Businesses	
	2025
East Central Wisconsin Rated the #1 Place for Business in Forbes, Entrepreneur, Inc., etc.	
WORKFORCE	
	2015
Talent Success – Education and Workforce Development Collaborate	
	2020
East Central Wisconsin Meeting Challenges While Others Are Not!	
	2025
Beyond the Boomers: No Talent Challenges Here	
ECOSYSTEM	
	2015
New Plan for Future: Region's Partners Aligned	
	2020
True Partners Equals a Thriving Economy	
	2025
Voted #1 Place to Live, Work, and Play in America	



3.4.3 SCENARIO C: BOOTSTRAPS AND BALKANIZATION

This scenario is marked by an increase of industry diversification, but little change in the regional ecosystem. The region's economy does innovate, but does so largely through the private sector. Economic and workforce development organizations respond to industry needs rather than shape proactive approaches. The region's communities continue to compete for new businesses. Entrepreneurs do develop in the region, but tend to be limited in scope in the absence of a supportive ecosystem. Growth is viewed as positive, but possibly not sustainable. The term 'balkanization' was chosen here as it indicates a region that is divided by a number of identified and independent communities.

SCENARIO CHARACTERISTICS

Business Profile

- More innovation occurs, driven by private sector needs.
- Mid-sized markets and family-owned firms are more vulnerable to consolidation in a more diversified economy.
- Innovation could strengthen the region's manufacturing base if related.
- Smaller businesses are significantly more important.
- Communities compete for short-term deals. No long-term vision is present in the region.
- The region's businesses are connected by technology and use it to meet future workforce needs through automation and telecommuting.

Workforce Profile

- Lower unemployment occurs as industry needs strengthen.
- Workers experience more choice among firms and industry sectors.
- Workers are well-trained in the use of technology.
- Workers see higher pay as businesses compete for their services.
- The region has a larger 'creative class' as an entrepreneurial community develops.
- More independently-owned businesses operate in the region.
- Apprenticeships are strengthened as the means to meet future workforce challenges.



3.4.3 SCENARIO C: BOOTSTRAPS AND BALKANIZATION (CONT'D)

ECOSYSTEM FUNCTION

- Competition persists among communities.
- Communities have some willingness to pool resources to address crises.
- The private sector, rather than the public sector is viewed as leading.
- There are disconnects for resources with communities practicing more 'whale hunting' in business relocation.
- Less funding is available for economic development.
- The region's professionals are subject to more rumors and speculation, which leads to frustration.
- Technical college and university campuses are largely parochial and only meet the needs of local employers.
- The region's leaders do not look outside of the region.
- Fewer linkages exist between the public and private sectors.



3.4.3 SCENARIO C: BOOTSTRAPS AND BALKANIZATION (CONT'D)

HEADLINES

BUSINESS
2015
Old Line Industries are Remaking Themselves
2020
Neighbors Complain About the Noise from Boeing
2025
Private Sector Leads, Public Sector Still Follows
WORKFORCE
2015
We Will Build it and They Won't Come
2020
Baby Boomers Retire, Top Management Positions Suffer
2025
Workforce Chomping at the Bit to Start Own Businesses
ECOSYSTEM
2015
Incremental Innovation is Good Enough for Us?
2020
Infighting Among Governments Causes Major Employer to Leave
2025
Diverse in Spite of Ourselves



3.4.4 SCENARIO D: MUDDLING THROUGH

This scenario represents the best projection of the 'status quo' in the region. The level of collaboration currently in the region remains stable, if not declines. Industry interests are again represented largely by 'old economy' traditional sectors. The region struggles to attract new workers as the existing workforce ages and reaches retirement. The workforce development system is designed to address the needs of the existing employer base, but may find itself reacting to more layoff events in response to economic shifts as the region remains undiversified.

SCENARIO CHARACTERISTICS

Business Profile

- Mature industries dominate the economic landscape offering little opportunity for innovation or growth.
- The business community is composed of a mix of very large employers and many small employers. Few mid-sized firms remain.
- Few new entrants come to the region as it is viewed as hostile to innovation.
- Absentee ownership becomes the norm as family-owned businesses consolidate.

Workforce Profile

- The workforce is slightly more diverse culturally, but still predominately white and male.
- The workforce continues to age by the region's inability to attract young workers. Population declines.
- The incumbent workforce is largely comprised of high skill, high income workers as employers have to do more with less.



3.4.4 SCENARIO D: MUDDLING THROUGH (CONT'D)

ECOSYSTEM FUNCTION

- The region's stakeholders are largely reactive and respond to crisis.
- Government, economic development, education, and workforce development organizations largely operate independently.
- The focus is on the preservation of the status quo.
- No new collaboration forms and existing partnerships are strained by declining resources.
- Regional leaders only consider cooperating when mandated to do so.



3.4.4 SCENARIO D: MUDDLING THROUGH (CONT'D)

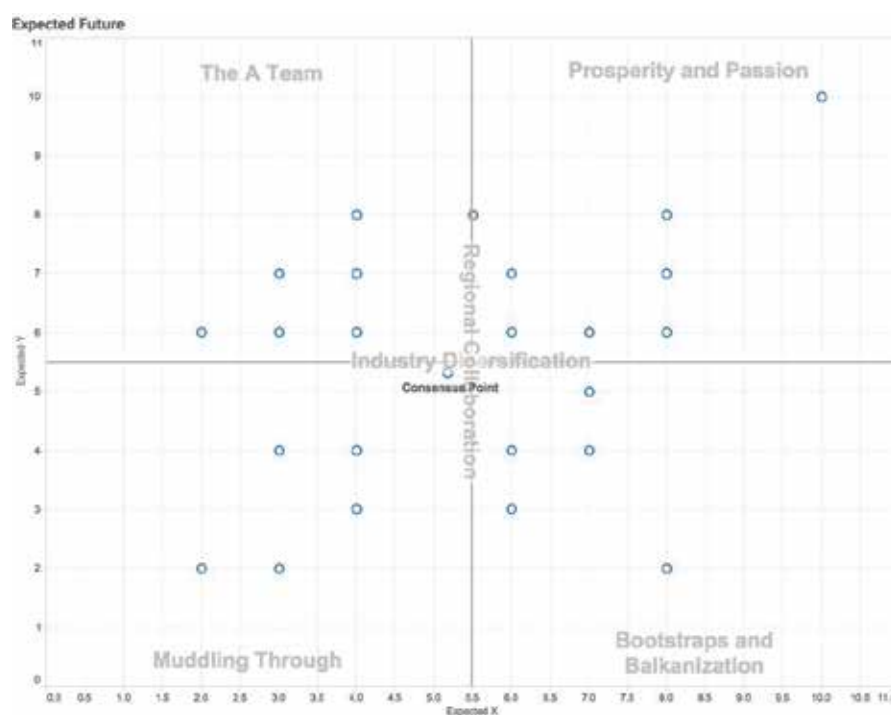
HEADLINES

BUSINESS	
2015	Oshkosh Corporation is Awarded the Joint Light Tactical Vehicle Contract; More Investment in Ground-Based Vehicle Technology Comes to the Region.
2020	Three Out of Five of the Largest Companies in the Region have Majority Outside Ownership.
2025	Reshoring of Some Business Occurs, but Overall Consolidation of Many Businesses and Industries.
WORKFORCE	
2015	Unemployment Rate is Declining; Major Companies Plan for Wave of Baby Boomer Retirements
2020	Unemployment Hits Record Low as Number of Skilled Workers Declines; Major Employers Sign Anti-Poaching Pact
2025	Major Regional Company Goes Completely Automated
ECOSYSTEM	
2015	UW Oshkosh Announces Creation of New Economic Development Department
2020	Local Governments Struggle with the Increasing Costs of an Aging Population
2025	Local Community and Government Leaders Meet to Discuss Ways to Cooperate

3.5 MEASURING EXPECTATIONS AND PREFERENCES

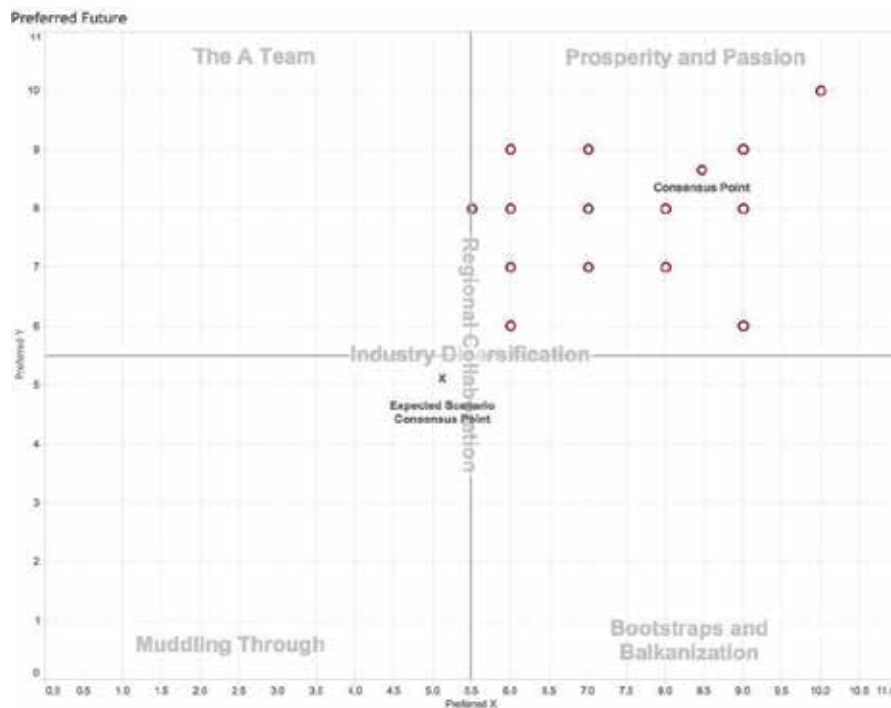
Each of the four scenarios described represent plausible outcomes for the Fox Valley region's future. They are based on certain expectations of the future role of the region's economic and workforce development ecosystems and the composition of the local industry base. While each of these scenarios may be viewed as possible, think tank participants expressed a clear preference for one of the presented outcomes.

Think tank participants were asked a series of questions regarding their preference for change along each of the scenario axes at the end of the first day's session. They were also asked to provide their personal opinion on both where the region may be expected to head, given no change in the current economic and ecosystem composition, and where they may prefer it to grow if change was indeed possible. The aggregation of these perspectives is presented on the scatterplots below.



The expectations of the think tank participants are fairly evenly dispersed across each of the four plausible scenarios presented. Their perspectives appear to conclude that some additional regional collaboration will occur naturally, but that the industry mix will promote innovation from within. This produces a consensus point that is close to the equilibrium point and located in Scenario D – Muddling Through. This represents a measured, but somewhat pessimistic outlook for the future.

The expected future scenario identified by the think tank participants differs quite significantly from their preferred future. Again, participants were asked to locate their preferred future point in the same four-quadrant scenario space. The aggregation of these data points is presented on the scatterplot below.



The preferred future predictions presented above mark a significant change in the participant's collective mindset. We see that each of the participants independently aggregated their perspectives around Scenario B: Prosperity and Passion. In doing so, their collective expectations have essentially eliminated any of the three alternatives as likely possibilities. This scenario space is again marked by significant increases both in regional collaboration and industry diversification. What is equally striking about the distribution of perspectives is that a significant number of respondents (8 of 35) placed their preferences at each of the two most upper-right points on the scatterplot. This suggests the presence of a great deal of optimism that the future presented in the preferred scenario can be achieved.

Another observation that must be kept in mind is that a considerable distance exists on the scenario space (approximately three point movement on both axes) between the expected and preferred scenario consensus points. This is a visual representation of the considerable distance and change that may need to be affected in the region over the next ten years to alter its future trajectory. In reality, the change needed may be far greater as participants were not asked to assess where the regional ecosystem and industry diversification mix currently reside within the scenario space.

The visual depiction of the expected and preferred scenario points were further validated through participants' responses to a number of categorical statements on a variety of characteristics that define both the industry diversification and regional collaboration axes. A summary of a number of the key findings of these survey questions is presented below. A full analysis of each question can be found on the Fox Valley Network Platform (<http://foxvalleynetwork.com>).

INDUSTRY DIVERSIFICATION

- When asked what the primary focus of any regional industry diversification effort should be, 56 percent of participants agreed that the region should look to build a balanced mix of traditional and new economy industries.
- 50 percent of participants further suggested that industry diversification could best be achieved through an entrepreneurial-based strategy that supports the development of new “home grown” businesses.
- Innovation was also identified as one of the key drivers of industry diversification. 63 percent of participants believe that “we need to embrace the next generation of innovators and entrepreneurs to help our leading businesses grow.”

REGIONAL COLLABORATION

- There was some disagreement among participants as to the most appropriate future alignment of the workforce development ecosystem. While a large majority of participants believed that career exploration, rather than worker retraining was an appropriate strategy, 39 percent of participants agreed that this should take place at all levels of job-seekers, while 36 percent preferred to see this occur only among the student population.
- There is a clear desire (71 percent) among the participants for the region to develop a more integrated service provider ecosystem that can anticipate and respond to emerging challenges and opportunities.
- Similarly, a majority (50 percent) of participants want the region's elected officials to pursue an orientation that establishes the region as a state and national leader in collaboration and industry diversification.

Taken in sum, the average of all responses to these questions largely validates the preferred scenario consensus point described earlier. Participants may have expressed a perspective on industry diversification that is somewhat more conservative than previously, but their expectation of the prospects for regional collaboration is slightly more optimistic.

What is more important is that the responses to these questions validate two important conclusions regarding the think tank participants and their perceived role in shaping the region's future. First, they believe that change is both needed and feasible. Second, and more importantly, they believe that they and the organizations they represent can play a vital role in the shaping of that future. Each of these perspectives is an important precondition to affecting change at any level.

Finally, the findings presented above largely validate the perspectives of the broader community that participated in the surveys leading up to the think tank event. These conclusions are again detailed in the Regional Survey Analysis technical report. This suggests that the perspectives of the think tank participants are not merely indicative of their personal preferences, but rather the outlook of the region, as a whole.

4.0 DEFINING THE PREFERRED SCENARIO AND BUILDING A PLAN FOR ACTION

The first day of the Regional Collaboration Think Tank and all of the precipitating analysis leading up to it was focused on the definition of a range of plausible scenario outcomes and the selection of a preferred scenario space. The second day of the think tank event shifted the participant's focus to further define the preferred scenario of Prosperity and Passion and to begin to identify strategic actions that could affect the changes needed to achieve it. Participants reviewed the basic parameters of the preferred scenario, and were reminded that the pursuit of the preferred future may require some stakeholders to temper expectations while others will be challenged to expand their horizons. This is true in any consensus-building exercise.

The think tank participants were asked to self-select and organize around the following strategic areas:

- Industry Diversification
- Supply Chain and Market Development
- Regional Economic Development Ecosystem Collaboration
- Regional Workforce Development Ecosystem Collaboration

This division allowed each of the participants to share his or her specialized technical knowledge and experience with others in order to craft a comprehensive and detailed vision of the preferred future. Participants were first asked to identify the key characteristics of each of these issue areas at one, five, and ten year intervals. Next, they were tasked with the formation of a series of strategic recommendations of actions that could be taken in the next twelve to eighteen months by stakeholders in the region to affect the trajectory towards the preferred future. All issue groups were also asked to consider the collaborative framework and partnerships between public and private sectors interests that may be needed to implement these strategies.

The following section identifies the ten-year characteristics of each issue area, as defined by the participants of the Regional Collaboration Think Tank.





4.1 ISSUE AREA CHARACTERISTICS

4.1.1 INDUSTRY DIVERSIFICATION

The working group tasked with this issue space identified a number of key themes that will shape the future of industry diversification in the region. The first is the identification of driver industries, which may include:

- Advanced Manufacturing
- Aerospace and Aviation
- Food and Beverage Manufacturing – Machinery and Products
- Insurance
- Health Care
- Maritime Manufacturing and Shipbuilding
- Paper Converting and Packaging

Each of these key driver sectors have a strong historical presence in the region and represent a mix of new and old economy industries. Under this framework, industry diversification proceeds under a three phase visioning process – identify, implement, and improve. These steps proceed as follows:

2015

- Identify and define key driver industries
- Quantify and market industry diversification opportunities
 - Products within companies, maximizing productive capabilities.
 - Markets for companies – out of state, out of country “exporting.”
 - Attract and develop types of industries aligned with current portfolio.
- Identify growth opportunities
- Develop a regional brand – an overarching brand that connects emotionally and intellectually.
- Identify and recruit industry leaders
 - Create working groups around particular industry sectors or opportunities.
 - Foster cluster champions.
 - Promote accelerator model.



4.1 ISSUE AREA CHARACTERISTICS (CONT'D)

- Develop a comprehensive regional strategy for:
 - Incubation, acceleration, and entrepreneurs,
 - Distinguish between large-scale and small-scale development.

2020

- The region has a well-defined brand.
- The region is actively marketing to target industries, regions, and people.
- Accelerators are established: innovation network built and growing.
- Majority of companies are exporting to world markets and out of state
- The region has an active working group ecosystem that is self-sustaining.
- Leaders understand where we should be by using demographic data trends and technology.
- Robots and automation are an opportunity area.
- Recognize and coalesce research and development strengths in the region, connect company and university efforts and make discoveries available to industries in the area.

2025

- The region has a mature and “killer” brand.
- A sustainable innovation and collaboration network thrives.
- Regional centers of excellence have developed.
- The region has a balanced industry portfolio and understands strengths and sizes.
- The ecosystem has a future orientation and develops a system to keep ahead of the new curves.
- Industries are actively recruiting suppliers, customers, and supply chain partners.
- More robotics and automation produce significant efficiencies.
- Resources are also diversified, including sources for energy, people, and workforce.



4.1.2 SUPPLY CHAIN AND MARKET DEVELOPMENT

There is significant overlap between the vision identified by the Industry Diversification and the Supply Chain and Market Development workgroups. This is reasonable insofar as prior research and the feedback received from think tank participants suggests that supply chain development represents one of the most viable strategies to promote greater industry diversification within the region. As such, while some themes may seem repetitive, they represent areas of agreement between the two issue spaces.

The workgroup tasked with developing the scope of this issue area assumed a more pragmatic role and focused on the specific actions taken by stakeholders in the region rather than the results of those actions. These action statements can further be understood as benchmark goals for regional development.

2015

- Region's leaders convene meeting of largest suppliers to begin discussing supply chain capabilities
- The region's economic development professionals have a good understanding of the existing supply chain.

2020

- The region has created a supply chain innovation hub.
- Conversation moves from what is made to what can be made.
- A consortium of higher education forms to support industry needs.

2025

- Diversification is prioritized.
- Companies are faster, smarter, and more innovative.
- The number of supply chain clusters is increased.
- The supply chains are geographically dispersed.



4.1.3 ECONOMIC DEVELOPMENT ECOSYSTEM

The remaining two issue workgroups considered ways to build collaboration between economic and workforce development stakeholders in the region. This was identified as one of the region's key organizational issues in both survey work and the network mapping platform. The formation of a collaborative ecosystem both between jurisdictions and functional areas will eliminate duplication and fill any gaps in service that may arise.

The focus of the economic development ecosystem workgroup's visioning discussion is built on the definition of roles and responsibilities among actors in the region, as well as the formation of a strong regional identity. Achieving both of these goals will lead to a region with clearly defined goals and is prepared to anticipate any future challenges.

2015

- Stakeholders focus on defining “who does what.”
- Develop a list of economic development organizations in a directory-based format.
- Foster the use of the Fox Valley Network Platform to build stronger connections between organizations.
- Begin to change the region's political culture to stop living in the past.
- Begin to build better relations with the media. The region's media tends to focus on stories of economic or business loss rather than a consistent narrative of growth.

2020

- The region has a streamlined funding and investment strategy.
- Organizations have defined roles and responsibilities.
- Media relations focus on the positive through the use of shared success stories.
- Almost all organizations buy-in. It is unreasonable to assume that every organization will embrace a regional vision, but the champions in the region must use every opportunity to promote the value of collaboration.
- The region's boundaries are well-defined and a regional identity emerges.

2025

- Roles and responsibilities between organizations are shared, thereby maximizing efficiencies of scale and scope.
- Functional and cultural boundaries between organizations and municipalities are gone.
- Stakeholders in the region have a shared vision and mission.
- Plausible stretch goals set and a true sense of partnership emerges.



4.1.4 WORKFORCE DEVELOPMENT ECOSYSTEM

The challenges faced by the workforce development ecosystem in building stronger collaborations differ from those of their counterparts in the economic development community as interests are inherently defined on a regional basis (i.e. the workforce development area model). The workgroup assigned to this issue decided to focus on the development of a more integrated infrastructure that brings business, education and workforce development together. The partnerships that form from this model are essential in that the workforce needs of businesses have historically been communicated poorly to educators.

The vision statements below reflect the workgroup's preferred characteristics for 2015, 2020, and 2025.

2015

- Educators and workforce development professionals will continue to explore the development of an academic and career plan model, launching a number of pilot strategies.
- Industry partnerships, such as the Northeast Wisconsin Manufacturing Alliance and the region's health care alliances will continue to connect educators with business owners to discuss needs.
- New business partnerships will begin to form around insurance and information technology.
- The region will serve as a best practice in the state in the implementation of the federal Workforce Innovation and Opportunity Act (WIOA).

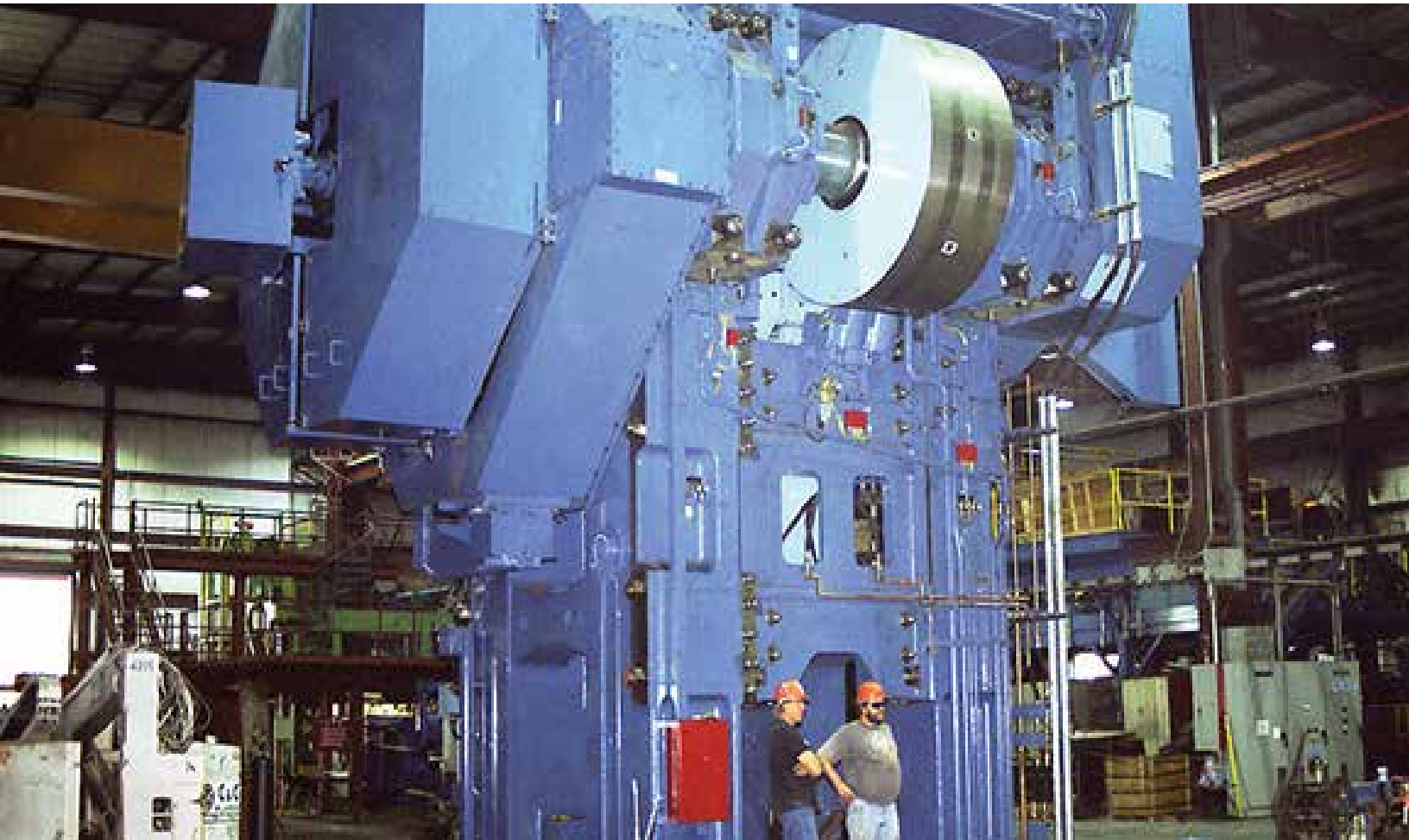
2020

- A new industry partnership in aviation and aerospace forms and works with area educators to explore new skill needs.
- Education partnerships at the Fond du Lac, Fox Valley, and Oshkosh Chambers of Commerce develop a first-of-its kind model of integrated career exploration experiences for students in grades 6–12.
- A coalition of the region's largest employers successfully advocates for the expansion of the Wisconsin Fast Forward program to the largest of its kind in the nation.
- The region hosts ten to twelve talent attraction events and leads delegations to regional college campuses to sell the virtues of the region.

4.1.4 WORKFORCE DEVELOPMENT ECOSYSTEM (CONT'D)

2025

- The region is regarded as a model of collaboration and will develop new and advocate for the expansion of existing grant incentives for businesses to train their incumbent workforce in alignment with the capacity of the region's education system.
- Local governments and organizations facilitate talent attraction and retention strategies.
- The system is defined by accountability, metrics, and rewards for success.
- The system has a culture of shared credit and risk.





5.0 ACTION PLAN – RECOMMENDATIONS

The recommendations outlined in this Collaborative Action Plan have been drawn directly from the planning and engagement process. They represent a combination of the strategic recommendations produced through the work of the think tank participants and related suggestions from Future iQ Partners supporting work in the region. In reviewing these recommended actions, it should be noted that the recommendations outlined are intended to complement existing activities and actions in the region. It is recognized that a significant amount of high quality work is already taking place within the region, including some recent innovations. The recommendations also recognize that additional action at the state and federal level, including the leveraging of future Department of Defense Office of Economic Adjustment resource may be required in their execution. The recommendations are not intended to duplicate any existing efforts or projects.

The recommendations outlined are not intended to solve ‘all the problems of the world’. Rather, they are a series of focused actions that can be achieved in the short to medium term. To this end, think tank participants were asked to consider those strategic actions which would be the most feasible in their design and implementation over the next twelve to eighteen months. In most cases, they are intended to be catalytic such that they provoke new ideas and actions, and begin the process of economic innovation and systemic change within the regional systems. One of the keys to success of any regional effort is a series of “quick wins” that can both galvanize existing support and present the value proposition needed to draw in additional resources.

The recommended actions have been grouped under four key themes, which were repeatedly highlighted throughout the surveys and think tank sessions. These themes are as follows:

- Industry Diversification
- Supply Chain and Market Development
- Economic Development Ecosystem Collaboration
- Workforce Development Ecosystem Collaboration

A fifth key theme – layoff aversion will be addressed in the next chapter. The development of a cohesive strategy in this area will draw heavily from the recommendations outlined below.



5.1 INDUSTRY DIVERSIFICATION

OPPORTUNITY

The region's manufacturing sector is comprised of a number of highly concentrated and loosely organized industry clusters. Many of these clusters have developed organically, as supplier firms either developed in or relocated to the region in order to support the needs of large end producers in the paper or transportation equipment manufacturing industry, among others. The presence of a number of small, family-owned firms and a shared work ethic produced many formal and informal relationships that persist to this day.

At the same time, a number of the region's service-oriented industry sectors have also been organized through the work of the region's Chambers of Commerce and regional organizations such as the New North. An example of the extensive organization that has occurred can be observed in the number of health care alliances that are currently active. In most cases, formal organizations of this sort are designed as a platform for area firms to meet to discuss shared issues and challenges and to advocate for mutually beneficial change. Similarly, much of the more recent work in industry sector organization activity has focused on issues of workforce development, which will be discussed in a later recommendation.

The key justifications that support the development of a regional industry diversification strategy extend beyond the expectations of stakeholders in this process. The preferred scenario analysis demonstrated a shared desire to further diversify the region beyond its current heavy concentration in manufacturing. Further, stakeholders identified entrepreneurial growth and innovation as a key strategy. The development of a sound entrepreneurial culture requires the creation of a supportive environment with ample resources. Finally, the presence of a number of integrated industry clusters in the region will foster further innovation as entrepreneurs have ready access to markets to test their discoveries.

The trends of deindustrialization continuing in other parts of the country, the on-shoring of other manufacturing business, changes in the energy supply, and support for a family-owned, small firm development strategy all point to the need for the creation of a number of diversified industry clusters.

CHALLENGES

Cluster development is not widely understood as an economic development practice as it is viewed as a somewhat organic process. Firms tend to aggregate around access to a shared resource, productive capacity, or market. Identifying or creating this type of common opportunity is both time intensive and resource heavy. Similarly, the process of cluster development typically consists of the identification of existing aggregations of firms. While significant clusters of firms in the food processing, fabricated metal products, and insurance industries all exist within the region, the majority of the large customers for their goods and services do not. As such, a model of industry cluster formation that promotes the economies of scale and innovation that may exist in the region will need to develop. This does present as strong of a value proposition to firms or entrepreneurs looking to move into a region as ready access to a market would. Finally, many of the industry sectors identified for cluster development face significant future workforce challenges. While this led to the successful development of the Northeast Wisconsin Manufacturing Alliance in the region, for example, it does not represent a viable cluster development opportunity.

1. Action – Develop a network of driver industries. This will identify a number of targets for potential cluster development. The key steps required in this process include:

- Define what target driver industries and industry clusters are important for the region. The region should not be constrained by traditional boundaries, but should instead consider looking at the U.S. Highway 41 corridor instead of municipal boundaries.
- Identify and coordinate those industry groups currently active in the region.
- The effort should successfully identify and model one to three cluster groups, such as insurance, information technology, or food and beverage processors.
- Develop an impact model which measures the contribution of these driver industries both to the region and the state. This may build off of the model of the Wisconsin Economic Future Study.

2. Action – Develop an Industry Diversification leadership group, including the identification of

- Who is in charge? A leadership group comprised of representatives from private industry, the technical colleges, the Northeast Wisconsin Regional Economic Partnership, New North, WEDC, WMEP, and other industry groups should be included.
- Identify and develop a number of key industry champions (example of the Milwaukee Water Council is a good possibility with firms such as Badger Meter and A.O. Smith)
- Another possible organizational structure is the Milwaukee Tech Zone.

3. Action – Explore the formation of a Centers of Excellence network to support innovation in the region.

- Possible target industries include rapid packaging, alternative energy, and materials science.
- Partner with UW Oshkosh and other regional universities to promote faculty research in these areas.

- Couple research and development functions with an incubator/accelerator model to spur commercialization of discoveries.

4. Action – Support and expand the recommended development of an Aviation-based Additive Manufacturing industry cluster.

- Build a model of collaboration which connects resources to the development of new techniques and technologies with application across multiple industries.
- Consider productive capacity of existing firms to both use technology and produce new equipment.
- Look at translation of additive processes in the food manufacturing sector connecting them with resources statewide.
- Build upon Fox Valley Technical College's "Fab Lab" model to support large firms.





BRIGHT IDEAS

- The formation of industry clusters will increase communication and collaboration.
- Focus on concrete projects that will drive investments.
- New clusters in additive manufacturing and food processing have the potential to garner national and international recognition.
- The engagement of industry champions will ensure the presence of an evergreen plan and process
- Industry diversification both promotes immediate economic growth and fosters future economic resiliency.
- New clusters could increase export volume and aid in company attraction.



KEY PARTNERS

- Regional economic development organizations (City, County, Regional)
- University and Technical Colleges
- Industry Associations (Wisconsin Manufacturing Extension Partnership, Wisconsin Manufacturers and Commerce, North Coast Maritime Manufacturing Alliance, Northeast Wisconsin Manufacturing Alliance)
- Wisconsin Economic Development Corporation
- Trade Unions



5.2 SUPPLY CHAIN AND MARKET DEVELOPMENT

OPPORTUNITY

The development of supply chains and new product markets is of vital importance to manufacturers of all sizes and at all points in the producer/supplier relationship. This is especially true in an increasingly more globalized and integrated marketplace. Producers are not place bound as driven by access to resources and inputs as they are now driven to locate production facilities closer to consumer markets. This is facilitated by the rapid development of new logistics and distribution technologies.

Market diversification is also of vital importance to small to mid-size firms in the region. The area is home to a number of small fabrication firms that have specialized in innovative production techniques. These processes and the products that result from them may have application in a wide number of end markets. However, much of this productive capacity has been directed towards defense-related manufacturing over the last decade. As demand in that market has decreased, the Department of Defense has prioritized the diversification of market opportunities for these producers as a means to maintain the availability of this productive capacity into the future.

The Fox Valley region has the potential to both develop a series of integrated supply chains within the region as well as connect to global supply chains with high growth potential, both due to the concentration of specialized regional firms, as well as access to large national logistics and distribution firms in the trucking industry. This will again be increasingly vital as other areas of the country shift their economic focus away from the manufacturing sector. The ability to rapidly supply quality goods to customers represents a point of pride for many of the firms in the region and is one of its key assets.

CHALLENGES

Two significant challenges affect the ability of the economic development stakeholders in the region to effectively organize and foster the growth of supply chain activity in the region. The first is the relative lack of large, end producers. The manufacturing character of the Fox Valley is largely defined by the production of intermediate goods, or the parts and pieces that are assembled elsewhere into a finished good. This naturally deflates the region's manufacturing output and productivity due to the lack of high value-added production streams. At the same time, the lack of an identified large supplier eliminates the possibility for a supply chain to vertically integrate around well-defined needs. Rather, what typically develops is a more loosely-defined model of contracted firms.

The second challenge is related, but separated largely by scale. Much of the most innovative productive capacity in the region can be found among its network of small fabrication and prototyping operations. These firms are either family-owned or sole proprietorships and employ an average of fewer than fifty workers. Many of these same firms are controlled by interests that are either the founder themselves or within a generation of separation from the founder. Succession challenges among these firms are significant and open many companies up to outside purchase or consolidation. This may ultimately lead to either the loss of this productive capacity, or the move of its control outside of the region. The unique needs of these firms need to be addressed in any supply chain development strategy.

1. Action – Catalogue and expand upon existing supply chain mapping efforts.

- A previous effort to organize the region's wind energy technology producers led to the formation of the Wisconsin Wind Works and serves the basis for ongoing work in defense-related supply chain work.
- Scale up pending work in the five-county Lakeshore Industry Cluster Initiative to include more counties in the region, or the region as a whole.
- Fill in gaps in industry focus, targeting key areas of diversification including freshwater technology, aviation, and food processing.

2. Action – Build a local supply chain consortium.

- Conduct meetings between economic development professionals and businesses.
- Incorporate the contributions of the purchasing and sales professionals of suppliers and end producers following the example of the North Coast Maritime Manufacturing Alliance.
- Begin conversation with small firms on diversifying productive capabilities. This could build off of the technical assistance work currently being conducted by the Wisconsin Manufacturing Extension Partnership.

3. Action – Develop a singular tracking database structure for the region.

- Profile all defense-related companies in the region.
- Create a production profile template to identify capabilities.
- Focus on the region as a pilot for an eventual expanded statewide effort.
- Develop model based on an initial focus on defense-related industries and building upon the work of the New North.

4. Action – Create a regional playbook that outlines the key actions and resources needed to execute a successful supply chain strategy. This will:

- Support other industries.
- Support other regions.
- Focus on relationship management.
- Provide “nuts and bolts” advice for practitioners and business to connect into supply chains



BRIGHT IDEAS

- The region should look at the development of a marketing strategy built around its unique productive capacities, i.e. Milwaukee's turn of the 19th Century claim as the "Machine Shop of the World." Quality can be stressed, as well as knowledge of productive processes that no longer exists elsewhere.
- Conversations among purchasing managers may create the opportunity to create common purchasing pools which generate significant cost savings.
- The region could advocate for the creation of a statewide "Made in Wisconsin" tax credit for manufacturers who purchase from in-state or in-region suppliers.



KEY PARTNERS

- Regional economic development organizations (City, County, Regional)
- University and Technical Colleges
- Industry Associations (Wisconsin Manufacturing Extension Partnership, Wisconsin Manufacturers and Commerce, North Coast Maritime Manufacturing Alliance, Northeast Wisconsin Manufacturing Alliance)
- Wisconsin Economic Development Corporation
- Trade Unions
- Private industry leaders



5.3 ECONOMIC DEVELOPMENT ECOSYSTEM COLLABORATION

OPPORTUNITY

Stakeholders in the Fox Valley region have been among the first in Wisconsin to consider the development of a regional economic development strategy framework, leading back to the publication of the Northeast Wisconsin Economic Opportunity Study in 2004. The region's industry base and labor market have largely become seamlessly integrated since the late 1980's, with urban growth along the U.S. Highway 10 and 41 corridors narrowing the gaps between municipalities. The mobility enjoyed by jobseekers in the region and the access to goods and services provided by firms of all sizes have significantly increased the economic prosperity of the region. However, regional leaders have also recognized that the region has reached a tipping point in terms of national and global competitiveness owing to its scale. A market of the size and scope of any of the metropolitan statistical areas in the region is unable to attract significant, or "Class A" developments on its own. A broader regional framework is needed.

The region also benefits from a large number of economic development organizations and professionals active at the city, county, or regional level. Access to these resources could create significant momentum if coordinated around a single opportunity. The ORDIDI process and Regional Collaboration Think Tank provides the venue for these professionals to consider both the scope and scale of this growth potential and the needed trajectory.

CHALLENGES

While the region's economy and labor market have largely integrated over the past thirty years, its landscape continues to exhibit a significant degree of parochialism. Success in economic development still tends to be both understood and measured by elected officials in terms of expanded property tax revenues. This promotes competition for resources and projects at the local level. Statutory changes at the state level may be required to shift this mindset.

At the same time, a number of new actors at both the local level and among the region's Chambers of Commerce have expressed a greater interest in economic development over the past two decades. While this has brought a number of new resources to the field, it has also created significant overlaps and duplication of services. This creates confusion among the region's business community as it is often unclear as to whom to contact to explore specific opportunities. This was expressed in a number of instances in prior survey research. Similarly, many of these new entrants have varying definitions as to what constitutes the specific region. Coming to a common understanding of what is and is not



5.3 ECONOMIC DEVELOPMENT ECOSYSTEM COLLABORATION (CONT'D)

included in the Fox Valley region and developing a consistent array of services will be of vital importance in building alignment and eliminating duplication.

1. Action – Develop an online-based, GIS-enabled organization directory. This is an important first step to identify singular points of contact for business assistance. In addition, the directory tool will:

- Define roles and responsibilities among the numerous economic development stakeholders in the region.
- Build on the Wisconsin Economic Development Corporation's InForce platform to connect professionals to resources outside of the region that are currently underutilized, such as best practices and collaborative grant seeking opportunities.

2. Action – Conduct an economic development strategies mapping exercise. The region's stakeholders should focus on building a comprehensive inventory of existing and funded projects. This will:

- List current priorities and projects in process. Communities often withhold this information for competitive purposes.
- Identify clear timelines to inform regional priorities.
- Link to the Wisconsin Economic Development Corporation's InForce platform and the East Central Wisconsin Regional Planning Commission's Comprehensive Economic Development Strategies process to identify potential projects for future development.

3. Action – The region's leaders should initiate a conversation around shared economic development resources and funding.

- Much of the economic development competition between communities in the region is driven by local funding priorities.
- Elected officials should be engaged in this conversation and be educated on the value of regional economic development strategies.

4. Action – Develop a regional economic development marketing strategy.

- The strategy should have internal and external components.
- The internal message should promote the value of a regional identity and the success stories enjoyed by communities.
- The external message should position the region as a competitive market for new business investment and highlight coordinated incentives.



5.3 ECONOMIC DEVELOPMENT ECOSYSTEM COLLABORATION (CONT'D)

5. Action – Stakeholders in the region should begin strategic discussions to develop shared goals and strategies.

- Discussions can be facilitated around the ORDIDI process.
- Focus should be on those opportunities that are deemed “too big” for a specific community or those which will benefit the region, as a whole.
- The discussion should also identify ways that economic development strategies might align with comprehensive planning guidelines and workforce development priorities.



BRIGHT IDEAS

- The region's economic development professionals and elected officials should begin exploring the creation of a shared economic development tax base model or the creation of multi-jurisdictional tax increment finance districts and advocate for the necessary state legislative changes. It is not suggested that the region pursue a model as comprehensive as that in place in the Twin Cities of Minneapolis and St. Paul, but regional models in place in Connecticut and New York may be instructive.
- The development of a regional ecosystem framework will increase communication and collaboration between local economic development professionals. Many of these professionals have existing professional and collegial relationships with their counterparts throughout the region, but are frequently barred from discussing specific projects due to confidentiality restrictions.
- The New North will be a vital resource in this conversation and should be particularly involved in any branding discussions.



KEY PARTNERS

- Local elected officials
- Economic development professionals, such as the members of the Northeast Wisconsin Regional Economic Partnership
- Local Chambers of Commerce
- The New North
- Workforce development professionals
- East Central Wisconsin Regional Planning Commission
- Wisconsin Economic Development Corporation

5.4 WORKFORCE DEVELOPMENT ECOSYSTEM COLLABORATION

OPPORTUNITY

The Fox Valley region has long been regarded as having one of the most productive workforces in the country and possessing a strong regional work ethic. Much of this character can be traced to the region's agricultural and manufacturing heritage. It is also strongly associated with the region's workforce since the end of World War II. As the region's Baby Boom generation population, which is among the largest in the state enters into retirement, the workforce development ecosystem is presented with the opportunity to both utilize the talents of this cohort and begin to reshape the talent development system to meet the needs of the workforce of the future.

The region also has a number of successful models upon which to build. A number of business–education partnerships, such as the Northeast Wisconsin Manufacturing Alliance and Fox Valley Healthcare Alliance that have galvanized the region's focus on talent development. In addition, the region's two Workforce Development Boards enjoy a collaborative relationship and are among the best in the state in conducting business outreach. Finally, the region's technical colleges and universities are widely regarded and serve as key partners in the development of any talent development initiative.

CHALLENGES

The workforce development ecosystem generally possesses a far more collaborative organizational structure than their economic development counterparts. This is driven both by federal mandate in the structure of the Workforce Development Board and Area model, as well as by funding, which again comes largely through federal sources. Much of this funding is also highly targeted, with the majority directed at the training or retraining of dislocated workers affected by mass layoff events, such as those that have recently occurred in the region. As such, stakeholders are encouraged to collaborate, but assume a reactive posture.

Two significant areas that need additional focus are incumbent worker training and talent development. Companies in the region have expressed less willingness to train their existing workforce over the last two decades, with a decline in union representation and the most recent economic recession slashing corporate professional development budgets. Workers are often asked to maintain their own skill levels and have insufficient time and resources to do so. This is compounded by the current wave of Baby Boomer retirements as the longest-tenured and most highly-skilled workers are generally leaving companies. This creates a vacuum which may be locally referred to as a skill shortage.

Attention is also just now turning to the needs of the workforce of the future. Companies frequently complain that the region's education system does not adequately prepare students for the reality of work due to insufficient training in a number of core competencies, including communication, critical thinking, and leadership skills. Educators counter by suggesting that the region's employers must communicate these needs in a more

constructive fashion. The region's workforce development ecosystem has explored a number of possible solutions to these challenges, but has yet to develop a consistent model. This creates inequities in service.

- **Action – Begin exploration options to create training curriculum to support aviation cluster, in conjunction with AeroInnovate.**
 - This model could be based on the Maritime Manufacturing Technology program developed by Marinette Marine and the Northeast Wisconsin Technical College.
 - Development may eventually lead to the addition of an Aerospace Engineering Technology concentration in the Northeast Wisconsin Educational Resource Alliance's Collaborative Engineering Technology degree program.
- **Action – Connect with regional young professional organizations to develop outreach strategy to promote the benefits of living in the area.**
 - Develop a regional message and utilize these organizations in talent attraction efforts.
 - Consider developing a network of regional ambassadors to travel to regional college campuses.
- **Action – Continue to develop regional strategy to pursue state funding, such as Wisconsin Fast Forward awards.**
 - Advocate for the expansion of the program and focus on expanding its use, as well as use of other programs (Workforce Advancement Training, On-The-Job Training incentives) to facilitate more incumbent worker training in the region.
- **Action – Work with the region's community foundations to expand incentive programs.**
 - Capitalize on growing interest by the Fox Cities Community Foundation in community and economic development.
 - Consider adoption of a "cradle to career" framework, such as that endorsed by the Thrive initiative.
- **Action – Consider the adoption of a county-level 0.5% education sales tax.**
 - Funding allocation should be targeted at the K–12 level.
 - Pursue an "all or nothing" strategy for county-by-county adoption.
- **Action – Create a tuition-free zone attached to region's technical colleges and universities.**
 - Model could be based on education guarantee programs such as the Kalamazoo Promise with participation from local philanthropic organizations.
 - Region should also consider the development of a student loan forgiveness program for promising graduates. Program could be underwritten by the foundations attached to the region's technical colleges and universities.



5.4 WORKFORCE DEVELOPMENT ECOSYSTEM COLLABORATION

- **Action – Create a regional “Partners in Education” organization to share case studies and best practices.**
 - This business–education partnership model is based at the Chamber of Commerce level.
 - Consider expanding the structure to include businesses that have locations throughout the region with alignment at the Cooperative Education Service Area (CESA) district level.
 - Model should be expanded to include the continued development of regional business alliances, such as the Northeast Wisconsin Manufacturing Alliance and healthcare alliances, focusing on the insurance and information technology sectors.
- **Action – Support the New North Career Pathways pilot program.**
 - Goal is for 85 percent of graduating seniors in thirty local school districts to have a comprehensive academic and career plan in place by graduation.
 - Region should anticipate the implementation of 2017 statewide standards by pushing for the development of innovative best practices.
 - Action – Promote the use of retiring manufacturing workers to serve as mentors to incoming workers and students.
 - This workforce is highly skilled and can be trained to train others and share that experience.
 - Mentors could be trained as manufacturing ambassadors to present the sector in a positive light to students.
 - The workforce could also be tapped for ideas for new business development.



BRIGHT IDEAS

- Workforce development strategies and professionals should be more closely aligned with the region's economic development ecosystem.
- Workforce development IS economic development in an era of a declining workforce.
- The Northeast Wisconsin Manufacturing Alliance has developed an excellent model of encouraging company investment in future talent development. This expertise should be tapped and expanded to other industries.
- The workforce development ecosystem needs to become more proactive in order to shed its image of providing entitlements or being a human services system.



KEY PARTNERS

- Bay Area and Fox Valley Workforce Development Boards
- Local elected officials
- Chambers of Commerce
- The member institutions of the Northeast Wisconsin Educational Resources Alliance
- Existing industry alliances, such as the Northeast Wisconsin Manufacturing Alliance
- Fox Cities Community Foundation, Greater Oshkosh Community Foundation
- Local economic development professionals



6.0 REGIONAL MASS LAYOFF AVERSION STRATEGY

It is natural for any region that has recently experienced a layoff event of the magnitude of that which occurred at Oshkosh Corporation's Defense Division and its affiliated suppliers over the last two years to consider changes in the way that the region responds to dislocation of this type. While the effects of these layoffs have been diminished both by time and the general resilience of the region's manufacturing base, they have prompted a conversation as to whether economic and workforce development stakeholders have the capacity to both create and implement a layoff aversion strategy. The intent of such an initiative would represent the most elusive goal in either practice, namely the identification of a distressed industry sector or firm well in advance of any closure, consolidation, dislocation, or relocation event. The execution of a successful mass layoff strategy requires the coordination of a wide array of resources and the development of a proactive and anticipatory organization culture.

The workforce development ecosystem has a well-developed and established process under the Rapid Response program to address the workforce effects of such an event. The focus throughout is reactive in nature as most of the actions in this program occur only after a Worker Adjustment and Retraining Notice (WARN) is issued by the affected company within a period of sixty days prior to the layoff event. This, in turn enables the Workforce Development Board and its regional partners to apply for targeted worker retaining funding under the National Emergency Grant (NEG) program. The funding temporarily expands the funding available for dislocated worker training in the affected region for a period of two years. The affected workers are also then eligible for an array of services and training supports under the Workforce Investment Act of 1998 (recently reauthorized under the Workforce Innovation and Opportunity Act of 2014). Again, this funding is only available, along with the dedicated case management services provided after a mass layoff has occurred.

The economic development response to a mass layoff event is equally reactive. In many instances, economic development organizations are only authorized to make incentives such as worker training grants, loan guarantees, or other concessions available to firms once they have indicated their level of distress. At this point, the decision to announce a mass layoff event has likely been made.



6.0 REGIONAL MASS LAYOFF AVERSION STRATEGY (CONT'D)

An effective mass layoff aversion strategy therefore requires the development of an anticipatory mindset. This change has been recognized, to some extent by practitioners in economic and workforce development at the state and national level, and a series of best practices in the field have emerged since the late 1990's. The strategy offered here builds both upon the strategic recommendations set forth in the Action Plan, as well as those key assets identified in practice.

There are four key tenets to the development of an effective mass layoff aversion strategy.

- The incorporation of workforce development into the business retention and expansion (BR&E) program of the region's economic development organizations.
- An increased focus on incumbent worker training.
- The development of a market intelligence-driven early warning system to identify potentially affected industries and firms.
- A regional economic development strategy that promotes industry diversification as a means of enhancing economic resilience.

All require the commitment of considerable assets. Thankfully much of the capacity needed to execute such a strategy already exists to some degree within the region. Therefore, the implementation of the proposed strategy will principally require the realignment of these key assets.

6.1 PHASE ONE – THE EXPANSION OF BUSINESS RETENTION AND EXPANSION OUTREACH ACTIVITIES

Each economic and workforce development organization currently operating in the region have an established standard practices for conducting business outreach. In the economic development community these visits tend to be fairly standardized, with professionals making contact with most of the large companies in their respective markets on an annual basis, and conducting a number of other outreach visits throughout the year. Many of these visits are precipitated by some type of market intelligence, ranging from a news story about a potential expansion, notification of a financial action, such as an expansion or modernization loan, or a request from a contact within the firm itself. In these visits, the immediate plans and needs of the company are discussed and follow-up may or may not occur. The frequency of these visits increases if the economic development professional believes that a firm may be distressed.

Business outreach in the workforce development community occurs in much the same way, but occurs less frequently. A firm may contact a workforce development professional, such as a staff member of the Workforce Development Board or a staff member at their local Job Center to request a variety of services, such as recruitment assistance, advice on labor law issues, to inquire into the adult or youth apprenticeship programs, or a variety of other services. Companies are only legally obligated to contact these partners once a mass layoff notice been filed. In other instances, the Workforce Development Board's business services staff may meet with companies they have learned are expanding or potentially relocating to the area. Finally, members of the workforce development community frequently interact with industry associations and Chambers of Commerce. As such, their interaction with the business community is also generally reactive.

In order to develop a more cohesive and proactive approach to business outreach, it is suggested that the region's economic development professionals, especially those engaged in BR&E outreach coordinate with workforce development business services staff to establish a shared schedule of business outreach visits. It is recommended that the resulting outreach teams meet with representatives of all large firms in the region (i.e. those employing more than 500 workers) on an annual basis, and that industry-specific outreach teams be created. This will likely require the addition of partners from other parts of the workforce development ecosystem, such as the technical colleges to staff these teams. The Fox Valley Network platform will be useful in identifying regional stakeholders to invite to participate in this process.

The focus of these outreach teams will be to utilize the proposed early warning system to proactively reach out to identified firms within their assigned industry sectors. It is proposed that such a model be piloted in the manufacturing sector, given its size, and recent layoff activity. These teams should meet at least quarterly and maintain regular contact through email or other communications system.

6.2 PHASE TWO – AN INCREASE IN INCUMBENT WORKER TRAINING

One of the reasons most frequently cited by businesses in their decision either to announce a mass layoff or relocate is a lack of skilled labor within the existing workforce. This has only become more pronounced as a number of manufacturing sectors have embraced the value of automation and technological modernization. As the equipment and production processes used in a facility improve, it is assumed that the skill sets of those workers engaged in those processes will also improve. However, in many instances this upskilling does not occur without some form of supplemental training. As firms have slowly moved away from supporting internal professional development, workers have become increasingly more dependent on the region's technical college system to provide this training, provided they have the means to do so both financially and within their work-life schedule.

There are a number of workforce development incentive grant programs available to assist firms in supporting incumbent worker training. However, these are generally underutilized both because the programs may require the participating employer to offer a pay increase to the worker upon completion of training, and a general lack of awareness of their availability. Similarly, many firms do not regularly assess the skill level of their existing workforce and may only do so when considering an individual for a promotional opportunity.

A more proactive strategy is also required in order to increase the skill level of the incumbent workforce both to meet the needs of their existing employers, as well as to prepare them for new opportunities in the event of a mass layoff. Professionals in the workforce development ecosystem should actively reach out to the human resources departments of the region's large employers to educate them on the assistance that may be available and the importance of an organizational training culture.

Technical college staff associated with the industry outreach teams developed in Phase One should also work with human resources and operations staff to develop skill assessments to be administered annually. This will enable the workforce development ecosystem to identify those firms with particular skill needs and may serve as a criterion for additional assistance. This may also serve as a stress indicator in the early warning system.

The State of Wisconsin has recently expressed significant interest in promoting a number of incumbent worker training strategies, ranging from the Wisconsin Fast Forward employer incentive grant program to the expansion of the Adult Apprenticeship program. The region's workforce development community should actively support these initiatives and encourage industry associations and other organizations to do the same.

6.3 PHASE THREE – DEVELOPMENT OF AN EARLY WARNING SYSTEM

In many instances, economic and workforce development professionals are only made aware of a mass layoff event after it is too late to avert it. As a consequence, a number of key warning signs may be missed that would have led these professionals to assume that the firm or industry sector in question was in distress. In many instances, leading economic indicators such as industry order behavior or financial reports and labor market information such as industry employment and turnover trends will anticipate these changes.

According to Iowa Workforce Development, an early warning system is designed to detect the risks associated with three forms of unemployment behavior:

- **Cyclical Unemployment:** A strategically designed and deployed System can confront and mitigate cyclical unemployment – reduced demand due to business cycles – in the following ways:
 - Anticipate and predict where business problems, and hence layoffs, may occur.
 - Identify specific distressed businesses.
 - Address, and help businesses correct their systemic weaknesses. Assist them to improve their competitiveness.
 - Avert layoffs/closings. This is possible in some, but not all, cases.
- **Frictional Unemployment:** Frictional unemployment refers to the time between jobs while individuals are seeking work. A System can tackle, and for some workers eliminate, frictional unemployment. It can:
 - Identify workers targeted for layoff and assess and assist them before they are laid off.
 - Identify businesses with demand and vacant jobs to which workers can be transitioned before they become unemployed.
- **Structural Unemployment:** Structural unemployment occurs when there is a mismatch between the skills of unemployed workers and the skills needed to fill available jobs. Structural unemployment becomes more insoluble the longer workers are without jobs, as their skills become increasingly obsolete, particularly in today's technology-dependent economy. A system can address and minimize structural unemployment in the following ways:
 - Identify workers targeted for layoff and assess them before they are laid off.
 - Determine skills transferability to demand occupations and vacant jobs.
 - Promptly move workers into targeted, skills–upgrade training.
 - Enroll workers in short-term, upgrade training, either while in old job or prior to layoff; use On-the-Job Training for transitional support; obtain and utilize Trade Adjustment Act training funds.

- Meet businesses needs for skilled workers; keep businesses in Iowa that otherwise might move to another state or country in search of qualified labor.
- Facilitate business start-ups for dislocated workers with entrepreneurial capability, desires and ability to raise financing. (Iowa Early Warning and Layoff Aversion System – Final Report, 30–31)

In addition, an early warning system may contain a series of financial stress indicators based on contacts or media reports that will flag affected industries and firms for targeted follow-up.

It is recommended that the region's economic and workforce development ecosystem partners consider sponsoring the creation of such an early warning system dashboard. The application should be hosted by a regional entity, such as the University of Wisconsin Oshkosh or the New North and be populated through input from all actors in the ecosystem. Information from the system should also be used as justification for the extension of any specialized incentives or grants.



6.4 PHASE FOUR – THE DEVELOPMENT OF A REGIONAL INDUSTRY DIVERSIFICATION STRATEGY

The Regional Action Plan previously strongly endorsed the development of an industry diversification framework structured on industry cluster formation and entrepreneurial support. The execution of this strategy supports a layoff aversion system in two key ways. First, a diversified industry mix contains both firms and industry sectors that may be affected by cyclical changes in the economy, such as a decrease in consumer demand, as well as those whose production and operations cycles may be viewed as countercyclical. Similarly, a diversified economy is both insulated from and able to take advantage of trends in a global economy. This will ensure that, if mass layoff events do occur, that they are isolated and that the affected workers are quickly absorbed by other firms.

Second, a diversified approach creates significant opportunities for the formation of new businesses. A number of dislocated workers may express the desire to use their skills in an entrepreneurial fashion. The region should develop the infrastructure required to both promote and support these new businesses. Further, it is more likely that the businesses formed out of a mass layoff will incorporate many of the positive aspects of the affected industry and improve upon existing processes, thereby strengthening the industry sector, as a whole.

Taken in sum, the recommendations offered here will greatly improve the region's ability to both anticipate and respond to distressed industries and firms. It is not guaranteed that execution of these strategies will eliminate all mass layoff activity. Rather, it is intended to anticipate and circumvent some such activity while minimizing the impact of others.

The successful execution of this strategy will require the economic and workforce development ecosystems in the region to work more collaboratively and seamlessly to share information and resources. It will also require the region to adopt a more proactive mindset. This culture shift may be the most difficult aspect of the process as it challenges professionals in these fields to anticipate industry changes, utilize limited resources in creative ways, and to take calculated risks to provide assistance to the most deserving and promising firms. The strategy will also require support from the region's elected officials as communities will need to come together to pool resources in many instances. The inclusion of a layoff aversion strategy will bring the region closure to the realization of its preferred future.

7.0 NEXT STEPS

The Collaborative Action Plan and the recommendations presented here represent an important step in the process of guiding the Fox Valley region towards its preferred economic future. The recommendations are intended to both spark conversation and to spur future action. There are a number of important and valuable initiatives already underway in the region, both related to the ORDIDI process and in other arenas. This suggests that the region already possesses both a great capacity and a desire to enact change.

Many of the recommendations presented above suggest either expanding an existing initiative, such as the Defense Industry Supply Chain development project currently in process in the New North, and the adoption of best practices from other regions. The success of these initiatives will largely depend on the continued engagement of the region's stakeholders and the commitment of the resources needed to implement the recommended strategies. The level of engagement in the region is currently high, but leaders will face considerable difficulty in maintaining dialogue without demonstrable results. As such, stakeholders need to coalesce quickly around a number of "quick win" initiatives.

We also understand that much of the work related to the ORDIDI process is ongoing and that additional recommendations will come from this work. The region's leaders are encouraged to give these perspectives ample consideration and to always assess their viability with the region in mind. Many of the strategies presented will depend on the buy-in of a broad partnership to realize true gains.

The East Central Wisconsin Regional Plan Commission should serve as the convening body in order to maintain the current level of collaborative dialogue. A number of scheduled public sessions will help in the near-term, but the Commission and the committees formed in the management of this initiative should consider the formation of a standing public-private entity tasked with the development of regional strategies and the sponsorship of public conversations on key issues. Support from the local philanthropic community could both support and provide legitimacy to this effort. The immediate objective of this effort should be to consider and implement the recommendations of the Collaborative Action Plan and to identify a project or projects for future funding through the Department of Defense Office of Economic Adjustment or other related entities.

The vision presented here represents a plausible future for the region. The recommended strategies are just recommendations – the region is challenged to consider tangible actions to implement lasting change. Every stakeholder has a vested interest in bringing this future to life.

8.0 ACKNOWLEDGMENTS

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