

# Expanding Business Through Incumbent Worker Training

**LaDonna Boyd**

Economic Development Director, Dakota Electric Association

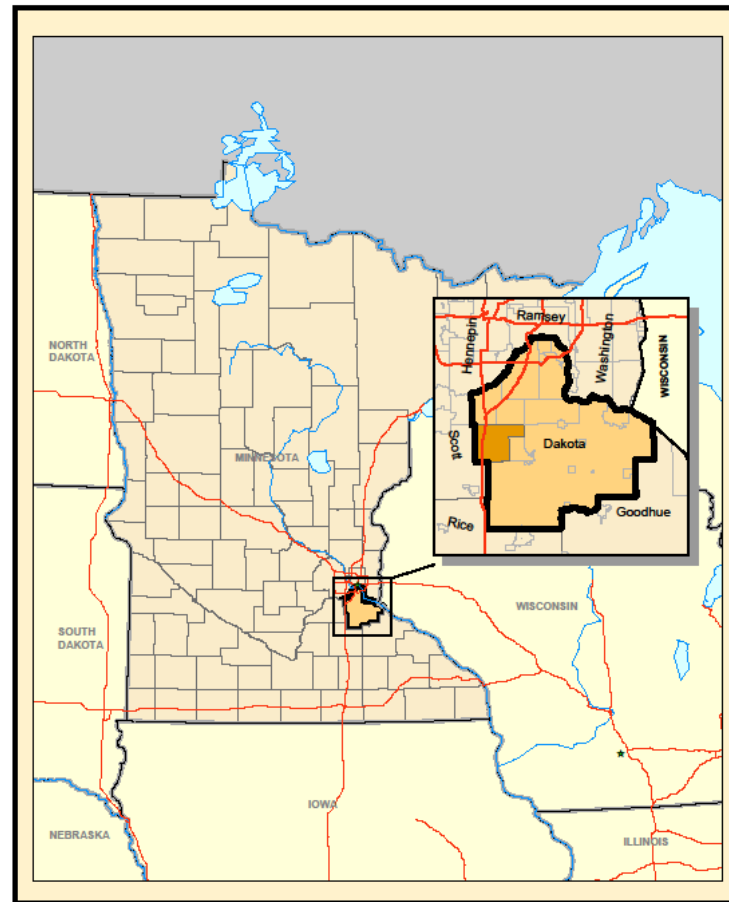
Dakota-Scott Counties Workforce Investment Board



# Dakota-Scott Background

- More than 500,000 residents across two counties
- Southern suburbs of the Minneapolis-St. Paul Metro area
- Part urban, part suburban, part rural
- Dakota – Top 21 Intelligent Communities
- Scott – one of fastest growing counties in nation in last decade (45% growth)
- Diverse business mix
- Engaged and active WIB

# Lakeville, Minnesota



# WIB's Business Services Committee

- *Mission Statement:* To provide effective communication and resources to employers and Dakota and Scott Counties supporting business needs.
- *Composition* – WIB and non-WIB members; most popular committee
- *Activities* –
  - Entrepreneur
  - Workshops
  - Business Services Specialists
  - Economic Development
  - Incumbent Worker Grants

# The Company



**Despatch**  
**INDUSTRIES**



# Company Background

- Based in Lakeville, MN
- 437 employees worldwide (up from 320 employees at the beginning of 2009); 395 in Lakeville
  - China, Taiwan, Tokyo, Korea
- Average employee tenure is 12 years
- Partners with solar and carbon fiber manufacturers who are driven to provide advanced technological solutions for a sustainable future
- Maintains a multi-national customer base

# Company Background

- Specialized in thermal processing for over 100 years and is actively using this technical expertise to provide innovative solutions to critical applications in a broad range of markets and cutting edge technology worldwide
- Has three dedicated business groups to meet the demands of the rapidly expanding thermal, solar and carbon fiber markets
- This focused commitment has allowed them to become experts in these industries
- Expertise in engineering and manufacturing is backed by their international service and support network
- A global partner that responds locally

# The Situation

- Faced increased global competition as economy slowed
- Employee training on a new cutting-edge program was needed
- Training was critical to prevent further layoffs and positively position the company in the eyes of their vendors, showcasing & using a cutting edge program and the required employee skill sets to “do business”



# The Solution

Despatch teamed with Dunwoody College of Technology, Minneapolis and Dakota-Scott WIB to provide SolidWorks training.



**Dunwoody**

CUSTOM TRAINING

A service of Dunwoody College of Technology



# SolidWorks Training

- SolidWorks: 3-Dimensional modeling software used by engineering and design firms to create parts, drawings & assemblies for manufacturing
- “Training will allow current employees to upgrade and enhance their skill sets as well as making them more flexible within our own organization.”
- “It will provide us with trained employees who can create documentation in the same format as our customers and our outside manufacturing vendors. By talking the same language it will make the manufacturing partnership more cohesive and provide stronger quality in manufacturability and final products.”

# The Twist...

## *Combo Approach*

Incumbent worker funds to train existing employees

+

Dislocated worker funds for laid-off employees

# The Result

- Nine individuals were provided with 24 hours of training
- Initial incumbent worker grant - \$8,700
- The split:
  - \$4,835 used for five incumbent workers
  - \$3,868 from dislocated worker training funds for four who were laid off
- Training provided individuals with the new skill expertise:
  - Prevented a layoff - allowed the company to retain employees and re-hire others

# Testimonial

“The SolidWorks training that the Despatch employees received via Incumbent Worker program has proven to be a great resource. The Mechanical and Manufacturing Engineers that received this training are now utilizing SolidWorks as the primary design and manufacturing documentation tool at Despatch.

Since the initial exposure to the package, their skills have become much more proficient. Knowledge transfer channels are open and 3D modeling standards are being developed. These standards help drive design efficiency and mitigate errors.”

*Steve Slivicki  
Engineering Manager  
Despatch Industries*



# Dakota-Scott Incumbent Worker Program

- Application Form
  - Match categories
- Requirements
- Priorities
- Reviewed by Business Services and approved by WIB



## Dakota Scott Workforce Services Incumbent Worker Application

Effective July 1, 2010 – June 30, 2011

General Information	
Name of business	
Primary contact person name	
Title	
Phone number	
Email address	
Address of business	
City, State, Zip	
Business Description	
Please describe the business, what activities/products or services are created.	
Number of employees	
Have you received an Incumbent worker grant from Dakota Scott Workforce Services in the past? (All previous recipients will have their past applications and results attached to this application for review and consideration by Dakota Scott Workforce Services.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
In what county is the business located?	<input type="checkbox"/> Dakota <input type="checkbox"/> Scott <input type="checkbox"/> Other, please identify
Project Description	
Please briefly describe the training project and how receiving the training will allow currently employed staff members to advance in position and/or wages.	
How will this training benefit the business?	
How will this training benefit the employees?	
How many employees are expected to enroll in the training?	
How many employees are expected to successfully complete the training?	

What is the current average wage of expected training participants?	\$
Will participants be attending training during paid work hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Where will the training take place?	
Will transportation be provided for participants and if so how?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Non Applicable
Please describe any form of promotion or recognition participants will receive upon completion of the program.	
Who will provide the training?	
Address of training provider	
Type of provider	<input type="checkbox"/> MNSCU <input type="checkbox"/> ABE Consortium <input type="checkbox"/> Private Provider <input type="checkbox"/> ISD <input type="checkbox"/> Other, Please describe:
Type of training to be provided	<input type="checkbox"/> ESL <input type="checkbox"/> Basic Skills <input type="checkbox"/> Occupational Skills <input type="checkbox"/> Other, Please describe:
Dates of training:	
Number of hours of training	
<b>Performance Measures</b>	
Acceptance of a Dakota Scott Workforce Services Incumbent Worker grant indicates the business will make every effort possible to meet the following performance goals. Please indicate by stating yes or no to the businesses' ability and commitment to meet these goals. If stating no, please describe why that is not an option and what goal is attainable.	
Enrollment – at least 90% of those expected to enroll (the number entered on the application) will complete the required paperwork and be enrolled in the program per the Dakota Scott Workforce Services policies and procedures.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Completion – at least 90% of those enrolled will complete the training program.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Wage gain – within six months upon completing the training, at least 85% of those enrolled will have a wage gain of at least 2.5% compared to their wage upon starting the training program. The wage gain will be a reflection of additional skills gained, not merit based.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Retention – at least 85% of those enrolled will still be employed the third quarter after completion of the training program.	<input type="checkbox"/> Yes <input type="checkbox"/> No



## Budget

A cash match of at least 50% is expected from the employer. For example, if the training requires \$10,000.00 to fully implement, the business must match \$5,000.00 or 50% of that amount.

Out of pocket expenses such as wages paid to workers during training, training materials, instructor costs, are all viable expenses for the overall budget.

In-kind expenses, such as rent for space within one's own business is not considered an acceptable expense.

In column B below, please indicate how much of each line item will be paid for out of the Incumbent Worker grant and how much will be covered by the employer in Column C. In column D, indicate the full program cost, which should equal column B + Column C. Please add as many line items as needed.

If you have questions when creating your budget, please call Helene Woods at 651-554-5908 or email [Helene.Woods@co.dakota.mn.us](mailto:Helene.Woods@co.dakota.mn.us) for technical assistance.

Cost category	Funds requested	Local Match (50% match required)	Full Incumbent Worker Budget
Column A	Column B	Column C	Column D
Training			
Training Materials			
Participant wages while in training			
Other, please describe:			
<b>Total</b>			

# Eligibility Requirements

*Businesses must meet the following requirements:*

- The business must reside in Dakota or Scott Counties.
- The business must have more than one employee.
- An employer cash match of at least 50% is required. This means that if the total cost of the training (including employee wages and out of pocket costs) is \$5,000.00, request \$2,500 from the WIB and the remaining 50% must be matched by the employer.
- Training provided will have a measurable increase on employees' basic skills or occupational skills. This may include English as a Second Language.
- Training providers may be MNSCU institutions, Adult Basic Education Consortia, Independent, Intermediate or School Districts or private training providers. Training providers may not be internal employees of the business applying for funds.

# Applicant Priority

*Priority will be given to applicants:*

- With 100 or fewer employees
- In the industries of health care, transportation, finance, advanced manufacturing, manufacturing, advanced information technology and professional/technical
- Who have not obtained incumbent worker training from the Dakota-Scott WIB in the past

# Review and Approval

- Business Services Committee reviews application
  - Asks additional questions of company
  - Makes recommendations to WIB
- WIB has final approval

# Win, Win, Win!

In the end the partnership and collaboration between the Dakota-Scott WIB, Despatch, and Dunwoody College of Technology was a win-win-win situation for all!

**WIN** - Employees retained

**WIN** - Employees rehired

**WIN** - Company growth

# Company Success

- Despatch featured in Sept. 2011 Twin Cities Business Magazine for “Firing Growth With More Employees.”
- “If we’re doing well, we can do even better with highly skilled people,” Patrick Peyton, CEO
- Production output doubled in 2010

# Keys to Success

- College's timeliness in assessing and defining Despatch's training needs, allocating the appropriate trainer, and having the capacity to deliver the training on-site at Despatch's Lakeville location
- Company's openness to new ideas and ability to quickly react regarding training development and delivery logistics
- Company leaders acted with a necessary sense of urgency to complete the WIB application documents for training funds and brought closure to the application process in a timely manner
- Simple application form for funding request
- Local creativity

# Award-Winning



Received WIB's *2010 Business Champion Award*

Recognized as an outstanding company that also uses WorkForce Center services such as job fairs, job postings or counselors





# Thank You!

Tough Questions -

LaDonna Boyd – [lboyd@dakotaelectric.com](mailto:lboyd@dakotaelectric.com)

Easy Questions -

Mark Jacobs – [mark.jacobs@co.dakota.mn.us](mailto:mark.jacobs@co.dakota.mn.us)

