



Community Response Manual

A Guide to Reacting to Business Downturn

**Institute for Decision Making, University of Northern Iowa
Iowa Workforce Development**

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Introduction

Background

The United States and much of the world had solid economic growth for most of the last two decades. Conditions painfully changed, however, with our “great recession.”

Even in good times, but especially in bad ones, many towns and cities in Iowa and across the nation do not have the ability to respond well to large job losses. Further, a helpful local response to a layoff must involve a diverse group of organizations and agencies that often have not (or have rarely) worked together before. The challenge is even greater because most relevant information and resource material for communities to use is no longer available or is outdated.

Intended Users of this Manual

- Economic development professionals.
- Workforce development professionals.
- Volunteer board members (local workforce investment boards or economic development organizations).
- City administrators.
- Elected officials.
- Others in local leadership positions.

Therefore, it is important that this manual with up-to-date information and tools will now be available to assist local leaders. Such tools will help leaders find and carry out useful ways of helping affected people and strengthening their communities. Iowa Workforce Development (IWD) and the Institute for Decision Making (IDM) at the University of Northern Iowa (UNI) developed this practical guide.

Overview of the Manual

The *Community Layoff and Crisis Response Manual* has been developed to serve as a resource tool for individuals at the local community level whether the individual is a workforce development or an economic development professional, city administrator, a volunteer board member for the local workforce investment board or the economic development organization, elected official or others in leadership positions. Though each local economy is unique, many of the actions and strategies that communities implement to prepare for, and respond to, mass layoffs and business-closing crises are similar, and this manual attempts to highlight many of those actions and strategies in a practical and useable manner.

The document has four parts with a variety of useful examples of tools throughout.

- Part One: the immediate response to the announcement of a mass layoff or closing.
- Part Two: the effects of a layoff on the people and the community.
- Part Three: taking action together.
- Part Four: moving forward after a mass layoff or business closing.

Tools and case studies that readers can use in their communities are at the end of the *Community Layoff and Crisis Response Manual*.

Part One: Proceeding Deliberately and Cooperatively

Part One, the first of four in this manual, sets forth an overview for understanding how various pieces and resources of the response effort fit together for cooperative and purposeful action. Although there is only one chapter in Part One, it covers a range of topics.

Chapter 1: Formulating a Proactive Response to Closings/Layoffs

To Do List

- ❑ *Determine if it is possible to avert the layoff or plant closing.*
- ❑ *Contact IWD's Dislocated Worker Unit.*
- ❑ *Learn to identify early warning signs for companies that may be in trouble.*
- ❑ *Consider alternatives to layoffs/closings.*
- ❑ *Identify buyers and suppliers of the company facing the layoff or closing.*
- ❑ *Participate in IWD's Rapid Response process as outlined in Figure 1.2.*
- ❑ *Maintain confidentiality when communicating with the media and the public.*
- ❑ *Consider forming a Worker Transition Committee.*
- ❑ *Gather information about the building and property that will be vacated*

The news of a plant closing or layoff can be a shock to the community and a situation no one wants to face. This chapter:

- Contains the policies and procedures that will be implemented by Iowa Workforce Development (IWD) in response to business closures and mass layoffs
- Discusses the role that IWD's State Dislocated Worker Unit plays
- Outlines the role of the local economic development organization
- Discusses alternatives to a layoff or closing
- Explains how to access available resources.

A Plant Closing or Layoff Has Been Announced – Now What?

In some cases, the community leaders, a member of the local IWD office or the local economic development organization may learn about the closing or layoff before it is announced publicly. In other cases, IWD's State Dislocated Worker Unit first receives notification.

The Federal legislation for both WARN and the Workforce Investment Act of 1998 (WIA) contain specific requirements for employers and the State Dislocated Worker Unit (SDWU) in the event of a business closing or mass layoff. IWD has been designated by the Governor as the state department to administer the provisions of WARN and WIA. IWD also serves as the lead state agency for the coordination of services to workers and communities affected by business closings and mass layoffs.

WARN Act

The Federal Worker Adjustment and Retraining Notification (WARN) Act requires employers to give local Chief Elected Officials, the State Rapid Response Dislocated Worker Unit, as well as workers, or their representative (e.g. labor union) advance notice of a plant closing or mass layoff.

Additional information regarding the Federal WARN Act and the Workforce Investment Act of 1998 is included in Exhibit A of this manual.

Important Thoughts to Consider At This Point

No matter who is the first to know about an impending plant or business closing or a mass layoff, community members, local economic development organizations, and members of the local IWD office need to ask themselves and each other the following questions:

Can we avert the mass layoff and/or the closing of the plant or business in our community?

The United States Department of Labor's Dislocated Worker Initiative believes in the principle of "prevention of layoffs whenever possible".

Is it possible to minimize the number of workers being laid off?

Is it possible to minimize the amount of time workers may be laid off from their employment?

Layoff Aversion is defined as...

...working with employers to avert or minimize layoffs by assisting them in accessing funding, services and other appropriate resources through public agencies, which affect business operations.

Source: *Layoff Aversion Guide*, Pennsylvania Steel Valley Authority

Layoff Aversion involves a continuum of services:

- Assisting communities in better assisting employers in preventing layoffs and enhancing the value of workers in their current jobs;

- Working with employers to avert or minimize layoffs by assisting them in accessing funding, services, and other appropriate resources through public agencies; and
- Assisting those workers who have been laid off by shortening the length of time before they start working their next job.

Iowa Workforce Development's statewide Dislocated Worker Unit can provide information on:

- worker training programs to upgrade workers' skills
- employer loan programs
- other services that may help avert or minimize layoffs.

Alternatives to Layoffs/Closings

Early intervention is key, especially if there is any chance of averting the closing or layoff. Although IWD's State Dislocated Worker Unit usually takes over immediately, the local economic developer can be involved in this phase to determine if there are any strategies that can be implemented to avert the plant closing. Some possible strategies could include:

- assistance with restructuring the business
- assistance with business financing
- finding a new owner or exploring employee stock ownership.

Alternatives to Layoffs/Closings

- **Manufacturing Extension Partnership** – provides assistance to small and medium-sized manufacturers
- **Shared Work** – reduces normal weekly hours of work so fewer workers are laid off

Manufacturing Extension Partnership: In the case of a manufacturing plant mass layoff or plant closing, the Center for Industrial Research and Service (CIRAS) at Iowa State University, Iowa's designated Manufacturing Extension Partnership (MEP) Center, may be instrumental in assisting the community in exploring a possible alternative to the impending layoffs. CIRAS is a part of a nationwide network of not-for-profit centers whose sole purpose is to provide small and medium-sized manufacturers with the help they need to succeed. Additional information on CIRAS is available at their website, www.ciras.iastate.edu/. In addition, in rural areas, the U.S. Department of Agriculture's Rural Business-Cooperative Service may be of assistance. For additional information, please see the following website: www.rurdev.usda.gov/rbs/index.html.

Shared Work: In addition to the above strategies, Iowa's unemployment insurance program, known as Shared Work, provides employers an alternative to laying off employees. To participate in this program, an employer must reduce the normal weekly hours of work for an employee in the affected unit by at least 20 percent (but not more than 50 percent). If an employer elects to participate in a Voluntary Shared Work Plan and the plan is approved, affected employees are allowed to share the work available in lieu of some employees being laid off.

Employees who share the work under an approved Shared Work Plan collect a percentage of regular unemployment insurance benefits to compensate for reduced hours of work and wages. Benefits paid under this program are charged to the participating employer's unemployment insurance account unless workers are participating in a department approved training program.

This strategy retains valuable employees and can reduce recruitment and training costs for employers. Seventeen states, including Iowa, participate in this program. The company and the employees must agree to implement this program.

For more information on this program, please call 515-242-0427 or write to:

Special Claims Unit
Attn: VSW Coordinator
P.O. Box 10332
Des Moines, IA 50306-0332

(Iowa Workforce Development, Unemployment Insurance Handbook for Employers (2009), page 16.)

Buyers and Suppliers

Notifying other local companies who conduct business with the company that a plant closing or mass layoff will be occurring is another issue involved in the announcement. Ideally, the company should notify other companies with whom it does business before the news hits the media, but this may not happen. These businesses include suppliers and service providers such as parts suppliers, trucking firms, utility companies, lawn care services and janitorial services. When appropriate, the local development organization should collaborate with IWD's State Dislocated Worker Unit to follow up with the company's local suppliers. The goal is to determine the impact of the event on them and identify how the community and/or the economic development organization may assist them.

Accessing Available Resources

Iowa Workforce Development's State Dislocated Worker Unit provides a wide range of services that are valuable to the local economic development organization and city government, which, in most cases, would not have the staff or resources to assist the affected workers. According to IWD (June 30, 2007), initiation of a Rapid Response action to a plant closing or mass layoff includes the following:

- Contact with company and labor officials from the affected business.
- Contact with all service providing agencies in the local area, including One-Stop partners.
- Arrangement and facilitation of Rapid Response meetings.
- Arrangement and facilitation of employee information meetings.

The WARN Notice Has Been Received by IWD

When the WARN Notice is received for a major worker dislocation, Iowa Workforce Development's State Dislocated Worker Unit contacts company officials as soon as possible to discuss early intervention services. At this time, IWD begins its responsibilities under the Federal legislation for the WARN Act and the Workforce Investment Act (WIA) to serve as the lead agency for the coordination of services. IWD also serves as the Chair of the meetings held as part of the Rapid Response process. Figure 1.1 lists the steps in the Rapid Response process.

Figure 1.1
Rapid Response: Step by Step

1. IWD's State Dislocated Worker Unit receives the WARN notice or is informed of a mass layoff or business closure. Any information obtained at a local level regarding mass layoff or business closure shall be forwarded to the State Dislocated Worker Unit immediately.
2. IWD state staff communicate with the contact person as named in the WARN notice and explain Iowa Workforce Development (IWD) policy. If a WARN notice has not been issued but IWD has been informed of a potential plant closing or layoff event, state staff will contact the company in question. In either situation, the explanation to company officials is an outline of the procedures as follows in three and four.
3. IWD State staff provide a copy of the WARN notice to regional IWD Managers and WIA providers. If a WARN notice is not issued, all pertinent information is forwarded.
4. IWD State staff contacts the local WIA provider to coordinate the Rapid Response meeting. The purpose of this meeting is to share information regarding services to the workers.
5. Organizing the Rapid Response meetings with company management and labor officials.
6. Chairing the Rapid Response meetings.
7. Organizing and facilitating the initial Employee Information meetings.
8. Conducting surveys to determine employee needs.
9. Providing core services from the local One-Stop partners (programs and providers that co-locate, coordinate and integrate activities and information).
10. Other steps could include:
 - Providing on-site informational workshops (e.g., Your Successful Job Search, Job and Career Options, Coping With Change, Budgeting and Finances or other customized employer workshops).
 - Developing short-term skills-upgrading classes based upon needs assessments.
 - Assisting affected employees with individualized barrier assessments and skills deficiencies.
 - Encouraging all labor exchange activities.

The services IWD provides in a layoff or closing situation are based upon:

- local labor market conditions
- an evaluation of worker surveys
- the skill levels of the workforce
- the general economic condition of the area
- the availability of meaningful training
- the motivation of the workforce.

Rapid Response economic development activities include facilitating communications between the company undergoing layoffs or closings with similar types of employers that are growing and need skilled workers. These communications can be directed between Human Resource Directors/Managers of the involved companies, or it may be necessary to use IWD's labor exchange system to ensure appropriate referrals for specific careers by the use of individualized counseling and assessment techniques.

Funding may be available from IWD to sponsor local job fairs to accommodate both hiring businesses and dislocated workers. IWD works through partnerships with local economic development groups to identify the skills in demand by area employers. IWD then partners with local One-Stop partners or other educational providers such as community colleges to develop short-term training classes to meet the demands identified by the local hiring community.

An Important Note: Communicating During the Crisis

During the early phases of the plant closing or layoff event, confidentiality is critical. IWD will not go public with the news until the company allows. In turn, community leadership including the local economic development organization must maintain confidentiality as well. Many companies prefer to be the ones to make the official announcement to the media regarding the closing or layoff. They may have a communications plan that outlines whether they will hold a press conference, issue a press release, or merely respond to media inquiries. A press conference usually provides a more controlled environment where the company can outline their plans and answer questions all at once.

A joint press conference, initiated by the company with city officials, IWD, and the economic development organization may be a viable option for

communicating with the media. In some cases, a company may provide information to the economic development officials or city government officials and let them be the point of contact with the media. In order to maintain good corporate citizenship, many companies will initiate contact with local government, IWD, and economic development officials early in the plant closing or layoff process. This "allows officials time to prepare a response that may be more balanced and favorable than one given where the official learned of the event from another source." (The Ammerman Experience www.ammermanexperience.com.)

Communicating During the Crisis

- Maintain confidentiality
- Coordinate efforts with the company

It is usually advisable for the company to be proactive with the media and contact them before they contact the economic development organization or city government. Being prepared and including comprehensive information can help insure accurate media coverage.

Just Prior to the Rapid Response Meeting: Iowa Workforce Development's State Dislocated Worker Unit, has the responsibility for chairing the Rapid Response meetings. The Rapid Response meeting is usually held at company facilities and the inclusion of the media is, therefore, a company decision. The meeting(s) generally lasts less than 2 hours.

Members of the State Unit and/or a member of the local Iowa Workforce Development's WIA Service Provider (e.g., IWD Regional Manager, WIA Director or his/her designee) will ensure that the following are advised of the meeting time and location and request each organization's active participation in the meeting:

- Company officials (both management and labor)
- Local WIA service providers and their partner service providers may be included, but not limited to:
 - Community Action Agency
 - Community college staff [representing education]
 - Iowa Division of Vocational Rehabilitation Services
 - Iowa State University Extension
 - Iowa Department of Human Services
 - Community-based mental health provider
 - Local Credit Counseling Agency
 - Local economic development organization
 - Small Business Development Center
 - IWD Workforce Advisor and WIA Service Provider Staff
 - Elected officials including:
 - State legislators
 - Mayor
 - Board of Supervisors
 - Representatives of the local Regional Workforce Investment Board (RWIB)
 - Iowa Department of Economic Development
 - Other local service providers as identified by the local IWD WIA Service Provider

The Rapid Response Meeting Agenda

To begin the meeting an overview of the process and a series of questions are presented. A roundtable format is used and all present are encouraged to contribute. The final agenda item is to schedule Employee Information Meetings so all the affected workers can make informed choices as they face dislocation.

The tone of the meeting is based on sharing information. This approach reduces much of the stress felt by the employer and encourages active, open dialogue. Items addressed at this meeting include, but are not limited to:

- ✓ A discussion of the planned layoff schedule, positions impacted, skills and special needs of the impacted workers and whether the pending layoff is the result of foreign competition;
- ✓ Benefits offered to the impacted workers (company and/or union paid retraining, severance, early retirement, transfers, etc.);
- ✓ A description of the programs and services offered by the various agencies;
- ✓ Discussion of a general plan of action for the impacted workers;
- ✓ Completion of the employer survey (Exhibit D);
- ✓ Setting the time and location for the Employee Information Meeting(s); and
- ✓ Discussion of establishing a Worker Transition Committee (in some instances)

Employee Information Meetings

Officials of the affected businesses are encouraged to allow onsite services, and when they do, the companies often experience an immediate reduction in absenteeism, an increase in productivity and improvement in employee morale, reports IWD.

The purpose of the Employee Information Meeting(s) is to:

- ✓ Provide information regarding the services and activities available through Iowa Workforce Development Center and its partners;
- ✓ Describe resources available to assist workers in coping with the dislocation;
- ✓ Obtain information from the impacted workers with the intent of developing an appropriate plan of action to assist workers through the transition process;
- ✓ Promote and describe the process to form a Worker Transition Committee;
- ✓ Identify the need for, and arrange for, any subsequent meetings.

Summary of IWD's Process

IWD uses a “two-step process: Rapid Response meeting and employee information meetings.” The former “organizes [invited] local sources and agencies in order to coordinate the services and information given to employees.” The information is then shared in the employee meetings. (Iowa Workforce Development, WIA Handbook, Section 16)

In addition:

- ✓ State Dislocated Worker Unit staff assists with scheduling Employee Information Meeting(s).
- ✓ All appropriate and relevant service-providing agencies are invited to participate in the meetings and briefly explain their services.

- ✓ Employee Information Meetings are held. The local WIA provider is the lead agency for these meetings, although in certain instances the State Dislocated Worker Unit staff will facilitate these meetings. These meetings are scheduled at the workers' convenience. There are often several meetings held at various hours of the day and at least 1.5 hours should be allocated for each meeting. Worker surveys are distributed and a method of collection is determined. The survey is included in Exhibit E.
- ✓ Worker surveys are analyzed and distributed to state workforce agencies, economic development, job seekers and businesses (Worker Survey Fact Sheet, Exhibit F).

What Can the Local Economic Development Organization Do?

In addition to all of the points already mentioned above, the local economic development organization can assist the community and the IWD State Dislocated Worker Unit and IWD Regional staff by:

- locating space to hold meetings or workshops
- sponsoring job fairs
- working with other local businesses to see if they are interested in hiring some of the displaced workers
- gathering information regarding the soon to be available building and making sure this information is included in the LocationOne Information System (LOIS) sites and buildings section: www.locationone.com. The Iowa Department of Economic Development's Business Development Division (www.iowalifechanging.com) can be of assistance when marketing the building.
- Coordinating the location of temporary facilities if a business has been displaced due to a natural disaster

Conducting a Job Fair

- Identify businesses and job seekers as potential participants.
- Secure a venue for the job fair.
- Identify sponsors for the fair.
- Finalize a date and time for the event.
- Develop print materials for the job fair.
- Advertise the job fair.
- Set up the fair with time to spare.
- Provide an opportunity for evaluation and feedback for both business and job seekers.

Source: Lee Grayson, www.ehow.com

Available Facilities

If the business is closing its facility and desires to sell the building and property, the economic development organization will want to gather information regarding the facility so that the buildings can be marketed to companies looking for a new plant location.

Unfortunately, in the case of some plant closings, the company will contract with real estate brokers from outside of the community who do not have a relationship with the local economic developer. Another challenge that some communities have faced is an initial decision by the company not to list the building for sale. If the property is later listed for sale, the local economic development organization has limited contact with officials from the company. Therefore, early in the process, it is important to gather as much site and building information from the company as possible. Listed here is a sampling of suggested questions the community could utilize when talking with the company about its site and building(s). Exhibit G provides a more complete set of questions for a community to utilize.

Sample Questions Related to the Company's Facilities

- Will the layoffs result in unused space or buildings in your facility that you would be interested in leasing or selling?
- Will the layoffs result in unused equipment in your facility that you would be interested in leasing or selling?
- If the plant is closing, when will the facility be vacated?
- Are there any environmental issues with the facility?

Part Two: Understanding the Effects of an Economic Crisis in a Community

Part Two of the manual consists of one chapter. Chapter 2 aids in recognizing and mitigating important harmful social (and personal) consequences of a large layoff or plant closing.

Chapter 2: Social Distress Within the Community

To Do List

- ❑ *Consider social and non-monetary impacts that may occur in the community.*
- ❑ *Form a local Community Response Team to assist individuals and families impacted by the layoffs*
- ❑ *Identify service organizations that could provide assistance.*

What does the layoff/closing/crisis really mean to the community? With any layoff or closing there will be economic and social costs associated with the downsizing. Some commonly noted effects are:

- Lost incomes.
- Decreased retail sales.
- Decreased taxes and fees.
- Increased demand for social services.
- Changes in psychological and health well-being of the workers and their families.
- Other costs and impacts.

The size of the layoff relative to the size of the community's labor force makes a significant difference in the level of distress on the community as a whole. For the displaced workers and their families, though, the pain is deeply personal regardless of the size of the layoff.

In addition to size, the symbolism of the company or the layoff in the community makes a difference. For example, when a community loses a corporate headquarters that is tightly tied to its identity, the entire community feels the threat of what it will mean for the future of their town.

Consider such Iowa community losses as Chariton in 1995 when Hy-Vee moved its corporate headquarters from Chariton to West Des Moines. Another is Newton in 2006-2007 with the acquisition of Maytag by Whirlpool Corporation. The result was the closing of the Maytag world headquarters and its other business functions in the community. (See Case 1 in Exhibits and Cases near the end of this manual.)

Short term, as a layoff is happening, there is an urgent need to focus on the displaced workers and the downsizing company. Longer term, the attention will broaden to helping the community to recover, usually through business development.

Recognition of Non-Monetary Losses and Gains Within the Community

The waves from a business closing or mass layoff on a community can have profound social as well as economic affects. The social forces will vary by community and show up at different points of the crisis.

Following devastating plant closings in the state's textile industry, the University of North Carolina at Chapel Hill convened a timely conference in April of 2004. The aims were to understand what had happened, draw lessons, and look for ways of preventing or lessening the pain of future economic crises.

One of the papers presented was "A Short History of Stonecutter Mills and Spindale, North Carolina" by Tim Barth and Duncan Murrell (2004). The authors discuss the social impacts on a community [emphasis in the original].

The immediate effects of any sort of closing – whether it's a textile mill closing, or a layoff at a telecommunications firm, or at a used car lot – are mostly invisible to empirical analysis. It's not possible to merely list the measurable (or even, the immediately observable) facts of a closing and claim to have accomplished the task of describing that closing's effects in all their complexity. A closing sets off a chain of events similar to the movement of water over a river rock: we see a sheet of water envelop the rock, but not the chaos roiling within it, nor the invertebrates and protozoans caught up by it, nor the nearly indescribable complexity of the physical forces that combine to raise up the smooth veneer out of the wildness of the river itself. The personal cost of being laid off at a factory after thirty years is similarly indescribable, even by the people themselves. Money, and the lack of it, is an easily measurable quantity.... But this does not take up the loss of self-esteem, the sense of place and community, the generational schism that emerges between the old and young, the break-up of families, the growing knowledge that what you'd thought for decades – that if you worked hard in the mill you would be secure for life – was not strictly the case, and the sadness of watching your hometown transform itself into something you don't recognize.

*Perhaps, worst of all, is the feeling described by the local United Way director in Rutherford County, among those who still have jobs: **There is dread. There is the fear of losing what you have. The culture, the morale of the community, is changing.***

A research study from Western Illinois University used a series of surveys in Decatur, Illinois following the closing of a Firestone tire manufacturing plant in 2001. The research measured

and described the effects of the closing on the community and its residents. A key finding about displaced workers was the following:

One full year after closing, depression, anger, anxiety, sleeplessness, feelings of worthlessness and other psychological issues were commonly reported. While in each survey the negative reports far outnumbered the positive ones, a few respondents in each survey did report being happier after leaving Firestone. ("The Social Costs of Worker Displacement," Social Policy Spring/Summer 2007, pg 87.)

In addition to affecting individual workers, the same study shows that the toll on families and communities can be very significant. Because of the plant closing in Decatur, decreases in lifestyle were widely reported as selling household items, selling or trying to sell homes, and cutting back on many types of purchases or services. The researchers found that those who reported getting new employment were generally receiving \$20,000 less annual income.

In general, the community experienced depreciated housing values. In the long term, this decline will reduce property tax dollars available for the community's schools, public safety services, parks and recreation, and public services and infrastructure.

A recently released book from the Alliance for American Manufacturing, *Manufacturing a Better Future for America*, focused on the impact of reduced or lost industry as well as other topics relevant to manufacturing in America. In addition to making many similar points to the Decatur, Illinois study, the contributors to *Manufacturing a Better Future for America* had several other useful insights:

In most communities, nonprofit organizations help to address the needs of families and neighborhoods that have fallen on hard times. When job loss and the associated problems are widespread, the need is even greater. Unfortunately, the economic woes that face displaced workers also lead to declines in donations to local nonprofits. Similarly, cultural institutions that provide inspiration and enrichment also struggle with funding. Not only do these declines affect local residents directly, they also make the community less attractive to new businesses.

Amid the significant increase in demand for even more limited resources, "...deindustrialized communities are likely to lose political clout."

Displaced workers, especially primary breadwinners, are likely to feel significant pressure and anxiety about providing for their families. But job loss causes more than just financial distress; work plays a key role in shaping individual identity and social relations. The loss of work can disrupt an individual's sense of self and his or her value and competence. (Russo and Linkon, 2009)

During the current economic downturn, community colleges are experiencing significant growth with waiting lists for many programs. The *Des Moines Register* reported that for the fall of 2009, enrollment at the Des Moines Area Community College's (DMACC) six campuses has jumped nearly 17 percent in a year. "DMACC added 11 academic programs and 74 classes this fall, despite budget cuts driven by state revenue shortfalls. Still, with only so many classrooms and instructors to go around, many Iowans are forced to wait for spots when they most need them." (Hupp, September 2, 2009)

Assist Individuals and Families Impacted by the Layoffs

Amid all the social and economic effects, much of the social assistance will come from local and regional service providers as well as from relevant state or local agencies. A local Community Response Team can make significant and much needed contributions by bringing these stakeholders together as collaborators. The team can aid all of the members by helping them understand the situation more clearly and by determining how each stakeholder can best assist the community and its residents.

A concept proposal from the North Carolina Rural Economic Development Center accents the importance of the Community Response Team's efforts as a bridge.

The main challenge nonprofit organizations face is knowing how to help—how to target their efforts specifically to dislocated workers; how to coordinate their efforts with public partners (and what these partners do); how to collaborate more extensively with other nonprofit organizations and networks.

The primary problem public workforce development agencies face is the challenge of quickly organizing nonprofit organizations, ranging from state networks to small community- and faith-based partners, to provide services that complement existing workforce development services. Workforce agency leaders do not always know all the nonprofit organizations in their communities, and learning about and organizing a disparate set of organizations under a compressed disaster timeline is very challenging and adds significantly to a workforce leader's work load. "The NC Resources to Recover Partnership: A Concept for Economic Disaster Response." (August 2006)

See Chapter 3 of this manual, which addresses forming and working as a collaborative team that integrates and focuses both workforce and non-profit resources and people.

Below are some service organizations that could potentially assist and be part of the local Community Response Team:

- Community Action Agencies that provide programs in areas such as housing and weatherization, family development, community services and WIC. (In Iowa see www.iowacommunityaction.com to identify the community's local agency).
- Catholic Charities (each Catholic diocese in Iowa has a Catholic Charities office).
- Lutheran Services in Iowa (<http://www.lsiowa.org/>).
- Local United Way Chapter.

Part Three: Planning and Implementing Collaboratively

Part Three of the manual has five chapters, Chapters 3-7, designed to give clarity to local community leaders of what to do in responding to the crisis and how to do it productively. Chapter 3 discusses establishing a Community Response Team. Planning for immediate action is the focus of Chapter 4, while Chapter 5 focuses on planning for the medium- and long-term recovery. Chapter 6 focuses on the role(s) of the local economic development organizations. Chapter 7 provides insights on how to assess the community's available labor from an economic development marketing perspective.

Chapter 3: Establishing a Community Response Team (or Crisis Management Team)

To Do List

- ❑ *Establish a Community Response Team (or Crisis Management Team) to address immediate concerns and longer term recovery efforts.*
- ❑ *Consider who should be included on the Community Response Team.*
- ❑ *Designate leadership for the Team.*

For those directly affected, a layoff or business closure is like the death of a close family member with reactions of denial, anger, depressing sadness – especially among the workers, but the community, too. Just as a family needs caring, coordinated, and deliberate action and leadership from a committed group of people at the time of a death, so it is with layoffs.

Both the community and the workers look to the area's leadership (business, government, education, and social services) at times of economic crisis. Effective, coordinated, caring, and action-focused teamwork is essential, both locally and in collaboration with regional Iowa Workforce Development (IWD) staff and others.

The local Community Response Team will develop a broader scope, community-focused plan and implementation that address immediate concerns and longer term recovery efforts. Through effective early actions and attitudes, a well-formed and well-led Community Response Team can demonstrate a strong combination of resilience and hope. To do so, after briefly reaching consensus on the immediate problems or needs, the Team should focus its energy forward on solutions rather than backward to blaming and lamenting, "Why didn't they?" or "Why didn't we?" To the extent feasible, the Community Response Team should consist of decision makers who can commit and leverage resources and who will put the community's best interests ahead of their own.

Purpose of the Team

The purpose or mission of the Community Response Team will depend on the situation and the unique needs of the individuals impacted and the community.

Purpose of Community Response Team

- Assist the dislocated workers and their families
- Communicate with the company about its plans
- Work with the local economic development organization and its economic development allies on implementing economic development strategies to leverage the available labor and/or building

The Team will likely need to develop both short-term and long-term strategies to minimize the impact of the closing or mass layoff on the community.

Regardless of whether or not a WARN notice is required, the local Community Response Team should work closely with Iowa Workforce Development, Iowa Department of Economic Development, and other appropriate state agencies. At the local level, the Team should ensure that the members of the Regional Workforce Investment Board and the local Employers' Council work closely with other allies and relevant community services organizations such as United Way, the local food bank, community action agencies, the school district, ministerial associations, etc. Below are more details regarding who should be included on the Community Response Team.

The leadership that will be stimulating the formation of the Community Response Team and recruiting its members should give thought to creating a draft purpose statement, which can aid in recruiting Community Team members and in saving the Team's time as it moves forward with planning. See Chapter 5 for more detail about drafting a mission statement for the Team.

Who Should be Included on the Community Response Team?

The membership of a Community Response Team will be unique for each community and will depend upon the scale and scope of the closing/mass layoff. However, there are key sectors and constituencies in the community that should be represented on the Team. Each Team member brings various areas of expertise and perspectives. In many communities, individuals "wear many hats" and can represent multiple sectors or constituencies on the Team and members can represent more than one constituency. Typical Team members include:

- *Representative from the business* – Their role would be representing the interests of the business and communicating between the business and the Team and community.
- *Representative from the impacted workers* – Their role would be representing the interests of the impacted workers and communicating to the workers. If the workforce is unionized, the representative may be a union leader.
- *Local Workforce Development Center/One-Stop staff* – Their role would include representing the state’s Dislocated Worker Unit on the Community Response Team and communicating with the local Workforce Development Center staff and service providers about the needs of the impacted workers and the Community Response Team’s long-term and short-term strategies.
- *Economic Development Organization staff and volunteer board leadership* – Their role would include working with the business and other impacted businesses in the community and implementing economic development strategies, focusing on the available workforce and available facility, if there is one.
- *Local government elected officials and staff* – Their role would include representing the community’s interests, accessing available local government resources and working with state and Federal government officials to access available programs and funding.
- *State and Federal elected officials and their staffs* – Their role would include assisting the community in accessing state and Federal programs and funding.
- *Social service agencies* – Their role would include providing assistance to impacted workers and their families and communicating with other agencies that may also be able to assist the impacted workers and their families.
- *Local ministerial association* – Their role would include working with area churches and faith communities to support and assist with impacted workers and their families, as well as to communicate with and provide support to the broader community when it is facing its challenges.
- *Local business leaders* – Their role would include representing and communicating with the local business and gaining their support for the community’s response to the events. The local Employers’ Council is composed of a cross section of the employer community with representatives from all types of businesses, both private and public. The mission statement for the statewide Employers’ Council of Iowa is to seek solutions to employment and/or training related issues through partnership with Iowa Workforce Development. This local Council is the ideal group for ensuring active business leadership in the successful Community Response Team. Additional information on the Employers’ Council of Iowa network is included as Exhibit F.
- *Local financial institutions* – Their role would include providing financing and other support to the families and local businesses impacted by the closing/layoff and providing their support for the community’s response to the event.
- *Local school districts* – Their role would include assisting the families, particularly the children, impacted by the closing/layoff and providing their support for the community’s response to the event.
- *Area Community College* – Their role would include working with the impacted workers to access available training programs.

- *Others* – These are other individuals deemed to be important and it necessary for them to be on the Team, and their role will vary based on the needs of the Team.

Each Community Response Team member must be willing and able to take a leadership role and be action-oriented. It is also important that the individuals on the Team have actual decision-making power within the organizations or constituency groups they are representing and do not have to work through channels to be able to make a commitment or determine if resources can be provided.

Often, time is of the essence with a plant closing or mass layoff, and immediate action is critical. The Community Response Team must be able to make things happen. With the Team representing a broad spectrum of the community and its members committed and empowered, the Team should be able to develop community-appropriate short-term and long-term strategies. The Team should also be equipped to work effectively with the Team's partners and allies to quickly and effectively launch implementation of those strategies. (For additional information, see Mazza and Mayer, 1982.)

The Council for Urban Economic Development in the early 1990s completed a comprehensive examination of 28 such examples of Community Response Teams and concluded:

What Makes a Community Response Team Successful?

“There really can never be any one composite recovery approach which fits all communities ... There is one common element among the 28 community recovery and diversification cases examined in this study: a certain individual or group of persons had a concern, a commitment, and a compassion for the future wellbeing of his or her community. This leader or group of leaders was not satisfied to let complacency . . . rule the community's future . . . Most of all, they provided leadership during the crisis or period of change.” (Lynch, 1990. p 187.)

Recommendations for Assembling a Community Response Team

The Rocky Mountain Institute in its *Economic Renewal Guide: A collaborative Process for Sustainable Community Development, 3rd Ed.* (1997) offers some very useful tips and suggestions for developing and managing a Community Response Team:

- Make time to identify and recruit prospective members.
- Market volunteer opportunities.
- Actively welcome new volunteers.
- Restate the purpose at every meeting.
- Ensure productive activities – never waste the team's time.
- Appoint a task manager/coordinator of volunteers.
- Define tasks clearly.

- Emphasize short-term projects.
- Accommodate limited participation – some people may prefer to be assigned specific tasks than attend planning meetings.
- Accept people’s choice to say, “No” to team membership.
- Accommodate individual work preferences.
- Use volunteers’ best skills.
- Avoid volunteer burnout.
- Contact volunteers before each activity to ensure participation.
- Feed them.
- Spend time having members get to know each other.
- Celebrate success.
- Adjust attitude (The attitude of how the local economic development organization and key leaders approach the layoff and the community response will be conveyed to the Community Response Team – for example, “dire straits” versus “unfortunate but not without opportunity”).
- Do not tolerate destructive or negative people.
- Have fun.

The Community Response Team will need designated leadership for the Team. Having a chairperson and perhaps two additional co-chair people is a useful model for effective team leadership. In community-wide planning, an “administrative” organization should also be recruited or named. The administrative organization provides a “home” for the plan and the Team. It will be that organization’s role to coordinate the Team’s internal communication, make copies of agendas and reports, and arrange for meeting locations for the Team and for any related community events. In managing the Community Response Team, there should be easy communication (email lists, phone lists, etc.) among the Team taking care to avoid potential breaches of confidentiality. Frequent, informative, non-confidential public communication is crucial, and the administrative group can aid the spokesperson in preparing media releases, fliers, radio spots, and the like. If the public does not hear officially, they may take uninformed hearsay as the truth, which they might do even with the good public communication.

Community Response Team Challenges

The Community Response Team in Oelwein, Iowa experienced these difficult challenges:

- Community rumor/conversation.
- Employees get bitter.
- Community buzz that economic development is not doing anything – labor group knew, but it was still easy to say.
- Whole experience very challenging, trying to stop something that was probably inevitable. Knowing that in the end losing many high paying jobs was the likely outcome.
- Knowing when to say enough is enough (in trying to retain the company).

Source: Sally Falb, Personal Communication, see Case 4.

Responsibilities for Crisis Management and Business Retention and Expansion Programs

Effective, ongoing Business Retention and Expansion Programs provide a solid foundation for responding to a community's economic crisis. Valuable existing-business information is usually collected over time through company visits and employer surveys through such programs as the Synchronist Business Information System®. In addition to early-warning functions, such specific information will be useful in understanding better both the downsizing company and other local potentially growing companies that might benefit from the skills of laid-off workers or expand into a building that could become available because of a closure.

The trusting relationships among the community's leadership and the owners and managers of the community's existing businesses and the economic development organizations are critical building blocks for a coordinated and practical response. People with effective experience in the community's business efforts typically bring the following qualities to response efforts: trustworthiness, initiative, friendliness, understanding, empathy, collaborative skills, and connections to resources. All of these qualities become valuable as people join in a community response to a mass layoff or business closing.

Chapter 4: Planning for Immediate Action

To Do List

- *Identify an outside facilitator for the Team who is knowledgeable about planning, group development and how to get to the point quickly.*
- *Recognize that various organizations have different objectives and agendas.*
- *Develop consensus for the actions to be taken.*
- *Draft a mission or purpose statement for the Team.*
- *Determine what the immediate needs are and outline actions to meet these needs.*

In practice, in a community economic crisis where a useful contingency plan does not already exist, planning becomes a process of quickly deciding what the immediate needs are, outlining actions or initiatives, prioritizing them, and determining who will do what and by when. Implementation and good communication follow, then meeting again, reporting, adjusting, and expanding the plan, with the pattern repeating. Once-a-week meetings might be useful initially, for weeks or months, and then less frequent meetings will be needed.

Normally, immediate attention goes to the affected workers and the downsizing/closing business. Acquiring information and using it, as it becomes available, is among the priorities as well, and communicating factually and effectively with the community is essential.

If a Community Response Team has been formed, they will be the ones to carry out the immediate action planning, with its members (and their organizations) leading the plan's implementation. If a Community Response Team has not yet been formed, then a core group of community leaders could begin working and then expand into a more representative Community Response Team, which was done in Newton, Iowa in 2006 when Maytag announced its closing.

For best results, the Community Response Team will need a facilitator who is knowledgeable about planning, group development, and how to get to the point quickly. Although someone from the community could fill this role, an outside facilitator should be considered. Some communities also may appoint or hire a project manager or response coordinator. The local economic development organization, the city government or another local organization might employ the person. This person

What a Community Should Look For in an Outside Facilitator

- Knowledge of planning and group methods and accompanying experience.
- Fairness, integrity, trustworthiness.
- Demonstrated listening effectiveness.
- Process manager.
- Some content expertise, if needed.
- Flexibility/adaptability.

should have proven experience in community emergencies and/or professional background in efficient project management in a community setting. The local economic development professional(s) could provide a staffing function with the economic development organization's volunteer board chair serving as part of the Team.

Recognizing Agendas Within the Community

It is important for everyone involved in planning and implementing to understand that every organization in a community has its own mission and objectives, whether it is a non-profit, for-profit, or government agency. The ability to recognize those objectives is critical in effectively responding to a business closing or mass layoff. A general approach toward understanding the various objectives could be to apply a set of frames that might be used in shaping various stakeholders' expectations and interests. Figure 4.1 provides insights on how communities and economic developers can be helpful.

Figure 4.1
Insights on How Communities and Economic Developers Can Be Helpful

- An effective regular existing business effort is critical; maintain good relationships with businesses before the layoff, especially with CEOs and human resource people.
 - Develop an understanding of the IWD Rapid Response process and ask questions.
 - To developers and service providers, make sure you keep any sensitive information confidential and not say anything until after the official announcement.
 - Focus on sponsoring a job fair and knowing who is hiring and could potentially hire laid-off employees; also present retraining as an opportunity to the employees. With respect to unemployment benefits, employees should know that they could lose benefits by taking the wrong job too fast.
 - Know what meeting/workshop space is potentially available and how to arrange for its use; if needed, your making the arrangement can be quite helpful.
- Some stakeholders such as human resource representatives, key people from social service organizations, and the displaced workers likely want to make sure that programs and actions of the Community Response Team and the community are compassionate and support meeting the human and economic needs of the affected individuals (and families). They likely will seek initiatives that make a strong connection with the motivations, deficiencies, satisfactions, and development/use of workers' skills and knowledge.
 - Other stakeholders such as many business leaders and government professionals could look to the Community Response Team and its members to conduct its processes and actions realistically and in logical ways, designed to fit the community's and economy's changing

circumstances and to give the Team, community, and workers a clear focus for setting practical goals and coordinating the achievement of them.

- Public officials and other similar stakeholders could be quite interested in seeing that the Community Response Team and community provide opportunities for issues to be negotiated fairly, new action coalitions formed, and positive politics to be practiced as shifts in power and resources occur during and following the economic crisis.
- Other people from any stakeholder group could look at the situation with a keen sensitivity to the community's identity, its quality of life, its culture and values, and its history, believing that the economic crisis and how it is handled have actual and potential significant effects on their shared sense of community.

These four descriptions, focused here on Community Response Teams, apply the four frames (human resource, structural, political, and symbolic) developed by Bolman and Deal (1997) in *Reframing Organizations: Artistry, Choice, and Leadership*, which has been widely applied in a variety of management and leadership settings and situations. Recognizing that all four perspectives are both valid and valuable can help mediate some of the potential turf issues.

Developing Consensus for the Actions to be Taken

In order to gain from the multiple agendas, it is important for the Community Response Team to develop and reinforce some shared understanding and clarity for “consensus.” Consensus does not mean unanimous agreement on every point, but that enough agreement and support exists to move forward together. Consensus is the practical result of a combination of a fair process, people contributing and feeling listened to, good use of time through effective group decision making, and shared commitment to specific follow-up steps and actions.

The Community Response Team and its partners should develop a commitment to consensus building by proposing and getting buy-in for a set of “operating principles” or guidelines that translates the concepts in the point above into behavioral expectations. Figure 4.2 contains a set of Proposed Operating Principles and Definition of Consensus the Institute for Decision Making at the University of Northern Iowa uses in its planning processes with communities and economic development organizations. The Team should also use group methods that help promote consensus as ideas are proposed and further developed. Some common approaches are discussed later in this chapter.

Figure 4.2
Proposed Operating Principles

As a team and as individuals:

- | | |
|--|---|
| <ul style="list-style-type: none"> ➤ We will keep it <u>informal</u>, yet structured, and start on time/end on time unless otherwise agreed. ➤ We will encourage maximum participation, being <u>open/candid</u> here in the session. ➤ We will <u>listen</u> and not dominate. ➤ We will remain <u>constructive</u>. ➤ We will focus on and commit to the <u>greater good</u>. | <ul style="list-style-type: none"> ➤ We will “<u>be present while we are here</u>” (turning off cell phones). ➤ We will take <u>silence to mean affirmation</u> or informed consent. ➤ We will <u>trust the process</u>. ➤ We will <u>be specific</u> and use examples to avoid unintended misunderstandings. ➤ We will operate with <u>consensus</u>, as defined below. |
|--|---|

Definition of Consensus:

- All team members have an opportunity to give input, exercised or not.
- Team members’ ideas have been acknowledged by the group, and each person feels he or she has been “heard”.
- Team members indicate that they can live with the outcome of the process; they will not speak negatively or work against the outcome, since the process has been fair; team members agree to move forward.
- Team members accept that consensus is not necessarily unanimous agreement, and if a “final vote” is necessary, a majority will determine the decision.

Institute for Decision Making, University of Northern Iowa

Planning Short-Term/Immediate Consensus-Based Actions

There are a number of actions or steps the individuals or organizations heading up the formation of the Community Response Team can take prior to and during the Team’s initial meeting. Steps similar to those listed below could be useful:

Before the Community Response Team’s first meeting:

1. Determine the basic facts related to the workers and the company that can be shared.
2. Begin collaboration with IWD’s Dislocated Worker Unit and local IWD field staff.
3. Recruit the Community Response Team based on the guidance in Chapter 3.
4. Develop the purpose of the first meeting such as the following: to chart the course for our immediate response. Also, develop an agenda for the meeting. (see Exhibit H)
5. Distribute the agenda along with date, time, place, and similar details.
6. Draft a mission or purpose statement for the Community Response Team, recognizing that the Community Response Team cannot be and should not try to be all things to all people.

Mission Statement Thought-Starters for a Community Response Team

We have convened this Team in order ...

- X. To minimize the potentially lasting negative effects of this crisis to those directly affected and the community (or to enable the necessary collaboration toward minimizing....)
- Y. To intensely focus the resources of the community (and beyond) toward the present and future economic and human well being of our displaced workers and their families.
- Z. To lift up displaced workers, families, and the community toward future economic vitality by rallying and applying our community's and others' energy, hope, time, money, expertise, opportunities, and other assets.

We have convened this Community Response Team in order

To _____.

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At the beginning of the first meeting of the Team:

1. Give attention to developing the Team by recognizing what each person and their organization “bring to the table” – what they do best that relates to the community’s economic crisis.
2. Propose operating principles for the Team to use throughout its existence and get agreement (see Figure 4.2).
3. Propose that three high-priority action-areas are:
 - A. To understand and begin addressing the immediate concerns of displaced workers and their families.
 - B. To communicate with and gather information from the downsizing/closing business.
 - C. To communicate accurately and effectively with the public.
4. Focus on the three priority action-areas (A, B, and C) and quickly decide what the immediate needs are.
5. Outline actions or initiatives to address the most pressing needs.
6. Prioritize the actions/initiatives, recognizing that different task groups of people and organizations can do some items at the same time.
7. Determine who will do what and by when. Task groups of the Community Response Team could work through these details during either the first Team meeting or afterwards. Focus on what people or their organizations do best in aligning needed task responsibilities and their capacities to carry them out.
8. If a spokesperson has not already been identified, determine the spokesperson for the Community Response Team and what can be communicated to the public now, what must remain confidential, and what may be ideas-in-progress that the Team still has in draft form that should not yet be shared.
9. Before adjourning the meeting, propose a draft mission statement for the Community Response Team and get reactions (make note and bring back a revised proposal for the next meeting).

10. Recap what is to be done before the next meeting and by whom, address the details of the next meeting, make sure all contact information is recorded (phone, email, U.S. Mail). Get any closing comments from Team members and dismiss the group.

Following the meeting:

11. Provide Team members (and others) with a report of what was accomplished and what the responsibilities are for the time between meetings, and what the deadlines are for the various agreed-upon tasks.

Continue with subsequent meetings as a combination of 1) reporting results and challenges, 2) working together to resolve the challenges, and 3) identifying and validating new and continuing steps and responsibilities as the plan is implemented. Toward the end of the second meeting, the Team could be ready to develop an overall timeline with key mileposts to gauge progress over the next several weeks or perhaps a few months.

If funding is needed, a community foundation or other local foundations could be potential funding sources. Sometimes professional staff members from community organizations and businesses will be “donated” or “loaned”, and incidental expenses can be covered by the city, utilities, the economic development organization, the chamber of commerce, or other similar source.

Chapter 5 addresses developing medium-term and long-term goals and objectives. The Community Response Team and the local economic development organization could share the lead in developing a medium to longer-term economic recovery plan. A community-wide vision plan is also a possibility, with the Community Response Team taking the lead.

Options for Using Consensus-Building Group Methods

As previously mentioned, there are a number of methods and techniques that can be utilized with the Community Response Team to aid it in developing consensus during its meetings. Four different consensus-building options are described below:

Option 1 – Brainstorming:

If **brainstorming** is used, be sure to enforce the guideline, no criticizing or explaining while group members are creating ideas and someone (facilitator) is writing them on easel pad sheets. Only after all ideas have been written, go back, get clarification, and then go for evaluation of ideas, as appropriate.

Option 2 – Idea Writing:

One useful alternative to brainstorming is to split into small groups of four or five people, each with its own table space. Pose a well-thought-out trigger statement or question such as, “What are the immediate needs of those affected by this plant closing?” This question could be on individual worksheets or posted on an easel pad for all to see.

What do we need to do within the next three weeks?

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The facilitator should make sure all small groups have several sheets of paper (or worksheets). Then ask individuals in each small group to write responses to the question on a sheet of paper, remaining silent so everyone can think. After a few minutes of writing, small group members can put their sheets in the middle of their table space, pick up another sheet with ideas, and read what another person has written. Since all the sheets of paper belong to the small group rather than to the individuals who first wrote on them, those reading the sheets can write additional ideas on that sheet that he or she is reading (add new ideas; there is no need to duplicate what has already been written on another sheet).

After everyone in the small groups has read all sheets, the facilitator can then open the process to small group conversation focused first on clarifying then on discussing the merits of the various ideas. The facilitator can next shift to having each small group identify their top three ideas (or another number of ideas) they want to recommend to the whole group. These recommendations can be noted on an easel sheet that the large group can see. The above process is called **ideawriting**.

Option 3 – Modified Nominal Group:

A variation on the above is to have each person write responses to the question, but keep their worksheet. The facilitator will ask each person in turn to give one idea, and the facilitator notes it verbatim on the easel pad. This round-robin process can continue to list additional ideas one at a time from each person in turn. Clarification of the specific ideas is next, followed by any combining of very similar ones. The Team members can then select their top five (or another number). The votes are tallied and the ideas with the most support emerge. This process can be thought of as a **modified Nominal Group Technique (NGT)**.

Option 4 – Idea Cards:

Arranging ideas written on cards is a practical approach to making sense of the relationship among the Team's various ideas. As appropriate, idea-cards can be clustered into theme areas, arranged in a sequence, or arranged based on whether doing one will help to do another.

All of the group methods that are briefly discussed above can work toward enhancing productive collaboration, tending to spread out participation and increase shared ownership of the products of the Team, especially a plan that requires strong commitment for rapid and effective implementation. Brainstorming can work well with perhaps five to eight people. Ideawriting can work well with either a large or a small group. The modified NGT works smoothly with a moderate size group (8 - 15 people). Arranging idea-cards can work with one person up to a group size of two dozen, or perhaps three dozen people.

Chapter 5: Positioning Planning for the Medium- and Long-Term Economic Recovery

To Do List

- ❑ *The Community Response Team should access, acquire and document needed information that is timely, accurate and clear.*
- ❑ *Understand and use the information.*
- ❑ *Develop a medium- to long-term plan and implement it.*
- ❑ *Develop a SWOT Analysis (optional).*
- ❑ *Develop medium-term and longer-term objectives.*

Given the disruptions caused by a layoff or closing, it makes sense that the suggested highest priority action areas of the Community Response Team are to understand and begin addressing the immediate concerns of displaced workers and communicate well with the community. In addition, it is important to engage in positive interactions with the company and to exercise and strengthen partnerships among the community entities and other agencies and resources beyond the community. As the Community Response Team transitions from the intensity of the first few weeks, there is a need to increase the depth and breadth of information that will be useful in assessing, applying, and increasing the community's capacity for a more thorough and longer-term economic recovery.

Transforming Information Challenges into Potential Actions

The Community Response Team, perhaps with the leadership of the local economic development organization, should take steps to document, analyze, and understand the situation more thoroughly.

- Access, acquire, and document needed information that is timely, accurate, and clear
 - Acquire contact information if business decisions are controlled by an out-of-state or out-of-country corporate headquarters.
 - Build the case, if needed, for the downsizing/closing business to cooperate, especially at the human resource level.
 - Document a complete description of the building/facility and site (at minimum gather the complete building/site information required for LocationOne Information System or equivalent website listing).
 - Solicit information quickly and effectively from laid-off (or soon to be laid-off) workers regarding skills, personal and family needs, and flexibility (see the survey in Exhibit C).
 - Assess the missions and capacities of area social-service organizations (the CEOs of these organizations can collaborate to develop this documentation).

- Assess training/re-training opportunities and resources (Community Colleges, IWD, etc.).
- Retrieve or document the most recent socioeconomic and business data for the community and area. Chapter 9 provides information on useful data sources.
- Understand and use the information.
 - Evaluate the scope of the needed response, particularly if the size of the layoff is large relative to the community /area's labor force.
 - Match needed workforce skills from growing businesses in the area and those of the displaced workers.
 - Match displaced workers' current skills with training opportunities to upgrade for needed skills.
 - Evaluate the economic and social impacts of the economic crisis. The community could consider hiring an outside consultant or university research organization to estimate and evaluate the potential impacts.
- Develop the medium to long-term plan and implement it within the realities the information describes and perhaps with a sense of renewed vision, tapping Iowa Workforce Development, Iowa Department of Economic Development, the area community college, the economic development resources of the three Regents universities, or private companies.
 - If the community has a history of not working together, be especially focused on accessing competent outside facilitation in addressing "better together" approaches, building new coalitions as appropriate.
 - If there are environmental or safety deficiencies with the facility and/or site, state and other appropriate resources should be consulted.
 - If the skills and educational levels of the displaced workers are quite inadequate for new or existing local employment opportunities, assistance for workers to seek employment in another location may be both needed and beneficial.
 - If training needs cannot be met in the near future, determine what sources can be identified to increase the availability of training.
 - If social service agencies are already near capacity, help them form new partnerships or perhaps new coalitions and seek to engage additional external resources.
 - If the community is experiencing steady trends of economic and population decline in the area, a vision plan may be called for or perhaps a deliberate strategy to deal with the downsizing of the community is needed.

Optional: Developing a SWOT Analysis as a Basis for Planning

Some community leaders will likely not have the time or willingness to work through the detail of a SWOT analysis. A task force of the Community Response Team could work through it and report the results. A description for using the process and integrating the results into the planning process is in Exhibit I in the Exhibits and Cases section near the end of this manual.

Developing Medium-Term and Longer-Term Objectives

When developing medium- and longer-term objectives, utilize the consensus-building advice provided in Chapter 4, “Planning for Immediate Action.” Recall that “consensus” does not mean unanimous agreement on every point, but that enough agreement and support exist to move forward together. Consensus is the practical result of a combination of a fair process, people contributing and feeling listened to, good use of time through effective group decision-making using the right tools with facilitation, and shared commitment to specific follow-up steps and actions.

For example, use the modified Nominal Group Technique (Chapter 4) to address as a group a question similar to the following: “Given our information base and what we have learned and know about our community and its potential for recovery, what do we need to accomplish as a Community Response Team over the next 1-3 years and beyond?” If you wish to focus more broadly on the community rather than the Team, just delete “Response Team” from the preceding question so it reads, “as a community” over the next 1-3 years. It is reasonable that some Community Response Teams would prefer to plan only for the short term and pass on to others the task of medium- and long-term planning for the economic recovery.

Components of a Good Objective or Goal

An objective in a practical plan is an action-oriented statement that indicates one primary accomplishment within a specified timeframe that will help to achieve a particular organizational or community goal.

For a plan that is shared across or among multiple organizations, the lead responsibility for accomplishing an objective will normally be “an” organization (or perhaps two in close collaboration). Also, note that if the plan is for the Community Response Team as a unit, lead responsibilities for objectives could be a single task force or subcommittee. Most likely, leadership responsibility does not mean sole responsibility. “Lead” can mean serving as key coordinator, convener, communicator, etc.

Thus, within a well-developed plan, the attributes of a useful objective include:

- Action-oriented.
- States an accomplishment rather than an activity.
- One central idea.
- Can tell if it is achieved, preferably measurable.
- A timeframe is stated (at least completion – sometimes beginning date, too).
- Lead responsibility can be assigned (perhaps also active support responsibility identified).

Sample Objective

Objective: To conduct a regional job fair by May 1 with at least 50% of regional businesses participating.

- Lead Responsibility: The Development Corporation (Existing-Business Task Force).
- Active Support Responsibility: Neighboring economic development organizations and the community college (all listed specifically by their organizational names).

With the **broader goal** of “to increase the chances of re-employment of laid-off workers,” the sample objective shown here is an example of a fully drafted, clearly stated **objective** that helps achieve the goal (assume a January 15th layoff or closing announcement). Given that committed people are willing and able to help, specific tasks to achieve the objective could readily be identified and responsibilities and timelines accepted. An Action Planning Template is a useful tool for developing specific implementation tasks for accomplishing an objective (see Exhibit J).

Challenges for Remaining Focused on the Plan and Implementation

Focus requires attention. Any of the normal requirements of organizations that Community Response Team members are a part of, can absorb attention. In addition, any of the risks, threats, relationships, and challenges discussed in other chapters can redirect or divert attention. These may include political issues, “turf battles”, ineffective leadership, ongoing economic challenges, ineffective team leadership, the overwhelming social and economic needs of the displaced workers, and others.

Several tips for staying focused include:

- Regular meetings at a set time with reminders.
- Summarize each meeting and share information with those not able to attend.
- Always set an agenda for meetings.
- Keep meetings short to maintain participation.
- Use task forces as appropriate to maximize the benefit of team members’ time and expertise.
- Communicate personally with:
 - Anyone who might be losing interest.
 - Anyone (or a few) who seems at odds with others.
 - Anyone who has more to offer than is being tapped.
- Celebrate progress – small victories are important.

Chapter 6: Local Economic Development Role

To Do List

- *Determine who is in charge of the community's response to a business closing or mass layoff.*
- *Define roles and responsibilities for the economic development organization and its staff.*
- *Gather information about the company experiencing the closing or layoff.*
- *Adjust the current priorities and plans of the economic development organization, local government, etc.*
- *Recognize potential organizational gains to those involved in the response efforts.*
- *Recognize potential risks for organizations involved in the response efforts.*

The local economic development organization and staff are essential to effective community response leadership. Recognizing the relative responsibilities among the various organizations and people can be valuable, increasing the effectiveness and efficiency of the response and of the Community Response Team itself.

Clarifying the Organization's Responsibility in Dealing with the Crisis

Definitions

Role: A set of activities expected of a person/group in a particular position or function within the setting (for example, the community or the organization).

Responsibility: The obligation to perform assigned or accepted tasks, that is, to follow through on saying, "Yes."

Authority: The right to take action in ways, which are appropriate to the role, and needed to carry out responsibilities.

Accountability: The requirement to answer back to those with oversight responsibility and authority.

Who is in charge of the community's response to a business closing or mass layoff? Is your organization? Should it be your organization? Who are the potential collaborators for community-response leadership? What are the community's and/or the economic development organization's expectations? These are all very important questions

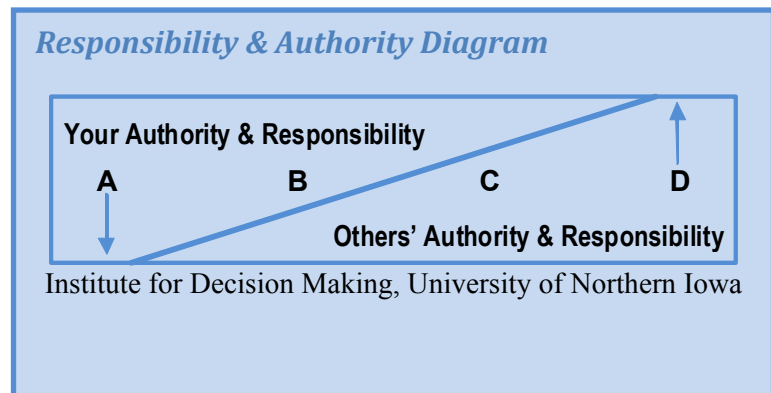
Typical roles and responsibilities for the economic development organization and its staff during an economic crisis could include:

- Effective communicator of credible information (facts rather than speculation).
- Keeper of confidences.
- Honest broker and connector of various stakeholders.
- Organizer for meetings or events.
- Leader in community planning.
- Evenhanded facilitator for access to resources.
- Pacesetter for rapidly addressing local needs and opportunities.
- Leader in community service.
- Source of current community information.

In developing and carrying out an effective response to a layoff or closing, multiple groups, organizations, and individuals will likely be involved, especially if the community forms a Community Response Team. “Whose responsibility is it?” is a critical question both to make sure of implementation and to avoid duplication of efforts. The following is a proposed framework that could be useful as starting points toward clarifying responsibilities.

The Responsibility & Authority diagram below shows a continuum of individual or shared responsibility and authority. This diagram is helpful for an organization and its staff to identify their potential roles in addressing and managing the community’s response. To use the framework, focus on points A, B, C, and D and pose the following questions.

- At point “A” – What are some questions, issues, or types of decisions that clearly do require your or your organization’s attention and time rather than that of others? You have both responsibility and authority.
- At Point “B” – What are some questions, issues, or types of decisions that clearly are shared, but require relatively more of your or your organization’s attention and time than that of others?
- At Point “C” – What are some questions, issues, or types of decisions that clearly are shared, but require relatively less of your or your organization’s attention and time than that of others?
- At Point “D” – What are some questions, issues, or types of decisions that are clearly others’ responsibility, and they have the necessary authority?



Summarize you or your organization’s role and responsibilities and how you or your organization fit in with others to accomplish the tasks. Do you or others need more authority to accompany responsibilities? If so, who can grant the needed authority? Also, answer the

following: To whom are you accountable? How will you communicate or demonstrate that you have carried out your responsibilities?

The economic development professional is always accountable to his or her board and/or may be accountable to other elected officials, community leaders, other agencies, and businesses to which commitments have been made. The economic development organization is accountable to its various funders and other stakeholders.

Demonstration of follow-through on responsibilities can occur through working shoulder-to-shoulder as part of a Community Response Team, observation by others not on the team, and observable results of your actions. Communication that you have carried out your responsibilities can occur through written and oral reporting, third-party acknowledgments, and one-on-one conversations. Ensuring effective communication to those to whom you are accountable builds trust and your professional and organizational reputations. Failure to follow-through on responsibilities or failure to effectively communicate after following through, can damage your important relationships, especially at the time of increased uncertainty caused by the layoff or closure.

Understanding the Employer and Its Role in the Community

The economic development organization and its staff will have key responsibility in getting information about the company. If the economic development organization already has a Business Retention and Expansion Program in place, it should have detailed information about the company, including:

- The company's history in the community.
- A current profile of the company including:
 - The number of employees.
 - Annual sales.
 - Tax revenues generated by operations.
 - Property taxes paid.
 - What local suppliers it uses, etc.

This information can be used to determine the impact of a plant closing or layoff on the community and other local companies. In the event of a major layoff or closing there may be other local employers that could benefit by hiring the laid off workers. In addition, if a building will become available, it may be attractive to another local company looking to expand. Chapter 9 of this manual provides details about how to profile a company and identifies several sources that can be used to gather company information.

A few of the reasons an economic development organization might use to strengthen the case for the employer to share information about itself and the layoff include the following:

- The desire or need for the company to sell its real estate in the community.
- The company generally would like to look good or have good public relations.

- The company would be helping loyal workers to have a better chance of finding alternative positions.
- Such an action would be for the greater good of the community.
- Other more local or situational reasons.

Recognizing and Communicating How the Crisis Could Affect the Organization's Strategic Plan and/or Current Priorities

The occurrence of a mass layoff or business closing will most likely require adjusting the current priorities and plans of the community's economic development organization, local governments, and other organizations. These adjustments may include a shift in staffing priorities and an organization's budget allocations. The following points provide guidance to consider when an organization revises its priorities:

Highest Priority

- Immediate concerns of displaced workers.
- Positive interactions with the company.
- Exercising partnerships with local organizations, state agencies, and regional resources.
- Communicating well with the community.

High Priority

- Determining how the skills of the newly available workforce and any available building/ site fit into the marketing effort.
- If there is an effective and continuing Business Retention and Expansion (BRE) program with trusting relationships, tapping those relationships should provide significant benefits. If there is not a solid BRE program already in place, trying to form those relationships during a crisis is not likely to be a productive use of limited resources.
- Although business attraction takes time, the displaced workers and their skills as well as any facility do provide a new opportunity for business recruitment efforts. Assessing this opportunity should be considered a high priority.

Moderate Priority

- Entrepreneurship training and development takes time to make a difference and may not have an immediate payoff, but can offer some hope and realistic career avenue for some workers – perhaps this is a moderate-term priority.

Recognizing Opportunities for Quality "Customer Service" To All Publics – Potential Organizational Gain

Consider at least the following as potential gains for the economic development organization and other organizations represented on the Community Response Team because of effective leadership and service to the community and to those directly affected or involved in the response effort during a business closing or mass layoff crisis:

- Increased professional and organizational credibility.
- More informed and trusting relationships.

- Improved economic conditions within the community.
- Grateful people.
- Less resistance to professional or organizational proposals.
- Increased understanding of the community you work in.
- Increased funding.
- Increased recognition.

Recognizing Potential Risks of Involvement

Consider at least the following as potential risks for the economic development organization and other organizations represented on the Community Response Team:

- Communication that gets misunderstood.
- Implied or explicit promises that cannot be kept.
- Mismatched expectations on the part of the displaced workers, their families, the community, the company that is downsizing or closing, or of you.
- Rumors circulating much faster than facts.
- Another organization or individual taking unwarranted credit, implying you are not doing your job when you actually are.
- Taking sides or appearing to do so when objectivity is needed.
- Speaking or acting in ways that are outside your expertise.
- Inadequately tapping into your individual or organizational expertise or inadequately securing needed outside expertise.
- Becoming overwhelmed as an individual, as an organization, as a community.
- Getting and/or acting on erroneous assumptions such as the capacity of social service agencies or the availability of appropriate retraining opportunities.

The economic development corporation and other organizations should strive to minimize the risks and level opportunities.

Chapter 7: Labor Assessment from a Marketing Perspective

To Do List

- ❑ *Obtain information about the occupations, skills, wages, etc. of employees to be laid off.*
- ❑ *Identify other employers who may need the displaced workers.*
- ❑ *Use the results of IWD's Worker Surveys and/or laborshed studies to market the displaced workers to other employers.*
- ❑ *Work to meet the needs of hard to employ groups.*

A business closing or permanent mass layoff typically creates a pool of available labor that other local businesses may be interested in hiring. Local economic development organizations and their economic development allies may also want to promote this pool of workers to prospective new businesses. Therefore, it is critical to gather as much information as possible about the workers that are being laid off.

Employer Provided Data

Ideally, the employer laying off the employees would be willing and able to provide some of the most useful information about the available workforce. However, this is not always the case and the situation may require the Community Response Team and the economic development organization and its partners to work together to obtain the information. If the employer is willing to provide information, the employer should be asked to answer the following questions:

Questions related to the positions:

- Where do the employees who are being laid off live? (At least get Zip Codes.)
- What are the specific occupations of the individuals who are being laid off? (Specific number of workers from each occupation.)
- What are the specific skill and education requirements for the positions being laid off? (Get job/position descriptions.)
- What are the current wage and benefits for each occupation group?
 - ❑ Wage scale – wages offered when hired.
 - ❑ Overtime.
 - ❑ Average hours worked.

Questions related to the employees:

- How much advance notice will your employees get? Will it be in writing or oral?
- What assistance will be provided to the employees being laid off by the company?

- Are severance benefits available to laid-off employees? If yes, what are those benefits?
- What sort of re-employment assistance can a laid-off employee expect from your company?
- Will laid-off employees be eligible for unemployment benefits?
- What strategies does your company have to maintain a positive attitude among the employees not affected by the layoffs? (may want to provide a list of suggestions for effective communication during crisis)
- Are there appeal rights of an employee who has been laid off? If yes, what are those rights?
- Will any special assistance be provided to employees who have not been laid off but are impacted, such as counseling?

Additional questions for the company are listed in Exhibit F.

Identification of Employers Needing Workers

It is possible to identify employers who may need the displaced workers by first determining the NAICS code of the company closing or laying off workers. If the NAICS code has not already been collected as part of a Business Retention and Expansion Program, it could be obtained through sources such as the *Iowa Manufacturers Register* or local business directory. Databases such as Reference USA www.referenceusa.com and D&B www.zapdata.com allow the user to enter the company name and location and obtain a profile of the company, including the NAICS code. Once the company's NAICS code has been identified, these same sources allow a user to enter the NAICS code and location and search for other companies that have the same code. Ideally, the local economic developer would regularly track which companies are hiring and what types of workers they need to hire. This could be included as part of the Business Retention and Expansion Program. In the event of a plant closing or layoff, the local economic development organization should also contact Iowa Workforce Development and the Iowa Department of Economic Development to see if they have information about companies looking to hire workers.

Pella Corporation

When Pella Corporation announced that it would be cutting 37 full-time jobs at its Sioux Center plant in September 2009, the company indicated that it was working with other Sioux Center employers to match laid-off workers with open jobs. The local economic development organization should maintain good working relationships with local companies so they can help facilitate efforts such as this. Forming an employer council is another strategy to keep in touch with workforce needs of local companies.

Marketing Potential of Displaced Workers

As part of its Rapid Response efforts, Iowa Workforce Development (IWD) surveys employees that are being laid off. A copy of the Worker Survey is included as Exhibit C. The purpose of inventorying and assessing of the skills, training and education possessed by the displaced workers is communicated to the employees at the Worker Information Meetings. It is critical that the dislocated workers understand the importance of the information they are sharing and how this information will be utilized in assisting them with identifying the various training opportunities that are available and acquainting them with the various community services that are available for their families. In addition, the information obtained from the Worker Surveys is crucial to the community's economic development efforts.

The completed Worker Surveys are forwarded to Iowa Workforce Development's Regional Research & Analysis Bureau. The information is a modified version of the Laborshed Survey that IWD implements as part of the laborshed studies it completes for Iowa communities. A description of IWD's laborshed studies is provided in Figure 7.1. The results of these surveys and any additional information about the impacted workers could be utilized to market the displaced workers to other companies. The Community Response Team should work with IWD and other partners to identify what other employers in the area may be hiring and what types of workers they need. This workforce information could also be utilized in the marketing efforts

Figure 7.1 IWD Laborshed Studies

Laborshed Studies are conducted by IWD in partnership with local development groups, utilities, community colleges, and local officials. A laborshed is defined as the area or region from which an employment center draws its commuting workers regardless of natural or political boundaries. These studies give communities the ability to document and illustrate the characteristics of their labor force. Laborshed studies include potential labor force, availability and willingness to change/enter employment, occupations, wages, benefits, commuting distances, education, advertising sources for employers, out-commute/in-commute, and underemployment. Executive Summaries of laborshed studies that have been conducted in Iowa are located at www.iowaworkforce.org/LMI/labsur/index.html.

to recruit new companies to the area. Additional information on how to target industries based on available labor is included in Chapter 10.

Meeting the Needs of Hard to Employ Groups

Certain segments of the labor force, such as recent immigrants and refugees, older workers nearing retirement, commuters, telecommuters and other individuals may have special needs or challenges in terms of finding new employment. These groups may suffer disproportionately more from layoffs than the rest of the community. In some cases, workers will need to learn

English, which may require the development of a partnership between business and the community college. Some workers may need daycare assistance while retraining so it is important that daycare providers be identified along with their capacities and cost of services. In some communities, local banks have worked with dislocated workers to help them make financial plans, including flexible repayment schedules to reduce the stress of dislocation. To determine if there are workers who may face additional needs or challenges, the Community Response Team should consider undertaking the following steps:

- Profile the characteristics of the displaced workers.
- Determine the special needs or challenges they face.
- Develop a strategy to help them increase their job skills.
- Identify service providers in the community that could provide assistance.
- Provide guidance to displaced workers using community resources.

Part Four: Moving Beyond the Crisis

There are three chapters in Part Three that together will aid local leaders in better understanding what has occurred during the crisis response, preparing more thoroughly, perhaps, for a potential future layoff or plant closing, and implementing economy-strengthening approaches for the months and years ahead.

Chapter 8: Learning from the Experience: Evaluation and Follow-up

To Do List

- ❑ *Evaluate all that has happened and plan how to handle similar events in the future.*
- ❑ *Identify strengths that helped the community withstand the closing or layoff.*
- ❑ *Identify challenges faced when dealing with the closing or layoff.*
- ❑ *Recognize partners that were instrumental in the process.*

After the dust has settled from the plant closing or layoff, some time should be spent evaluating all that has happened and planning for how to handle similar events in the future. One question that should be asked is “what have we learned from this experience?” It should also be helpful for the Community Response Team to identify what things they did well (strengths) and what areas they need to improve upon. Recognizing those partners who played a role is also important. This chapter lists some lessons learned in communities who have experienced layoffs or plant closings, lists items to consider when evaluating strengths and challenges and ends with a discussion of recognizing partners and successes.

Lessons Learned

A study of five rural communities in Minnesota and North Dakota that experienced closures or downsizings of major employers found that communities tended to adjust better when there was/were several factors in place, as shown below (Leistriz and Root, Winter 2002.)

Lessons Learned in Minnesota and North Dakota

Communities adjust better when there was/were....

- An economic development organization in place prior to the closure.
- Cohesion of community and agency leaders who were not concerned about turf issues.
- A focus on both assisting displaced workers and economic development.
- A breadth of contact and networking with State agencies, consultants and community leaders from other communities that had already weathered a dislocation.
- Substantial lead time prior to closure/downsizing.
- An understanding that the adjustment period from downturn to upturn was not overnight, but might take months or even years.
- A closure/downsizing that was not the sole or dominant employer.
- Some displaced workers who were not local residents, but were commuters.
- A range of alternative reuse options for the closed facility.
- Job alternatives available in nearby communities.

Leistriz and Root, Winter 2002

Each community will likely have other lessons learned to add to this list. These lessons can help when planning how to handle similar situations in the future. It may also be helpful to identify areas that would be considered strengths of the local economic development organization or the Community Response Team in order to build off these strengths when handling similar situations in the future.

Identifying Strengths

When evaluating the plant closing or layoff, ask questions such as:

- What did our organization do especially well?
- Do we have a strong relationship with this company and with other local companies?
- How did that help us manage this situation?
- Do we have strong relationships with local service providers, IWD and others?
- How did that help us during this situation?
- Do we have a written contingency plan for other possible closings or layoffs?
- Do we have a strong Community Response Team in place?
- Can we sustain the Community Response Team over an extended period of time?
- Do we have a Business Retention and Expansion Program in place?
- Do we have an Early Warning System in place?
- Do we have a current economic development marketing plan in place?

- Are all of our available buildings and sites detailed in the Location One Information System to aid marketing efforts?

What Challenges Did We Face?

In most situations, the local economic development organization and/or Community Response Team likely faced several unique challenges in dealing with the plant closing or layoff. Identifying these challenges will also aid in planning how to deal with similar situations in the future.

What types of challenges did you face during the plant closing or layoff?

- Absence of an effective Early Warning System?
- Absence of a Business Retention and Expansion Program?
- Absence of a Community Response Team?
- Poor communication or coordination among Team members?
- Difficulty in responding to media inquiries?
- Absence of a contingency plan?
- Inability to assist the company with existing problems?
- Conflicting priorities among community leaders?
- Difficulty sustaining momentum once a Team is formed?

Recognizing Partners and Successes

After a thorough analysis of the lessons learned from the situation as well as an identification of the Team's/organization's strengths and challenges faced during the plant closing or layoff situation, the Community Response Team should recognize the partners that were instrumental in the process. The type of recognition should be dictated by the community's situation. It is important to remember to give credit where credit is due, and not try to take credit for work that others have done. If there has been tremendous success and recovery then a community event/rally could be held to celebrate the progress and recognize key contributions by specific individuals and organizations. Other ideas may include a newspaper article, advertisement or insert highlighting the community's progress and recognizing individuals and organizations, or a "Thank You" luncheon or a formal "Thank You" letter sent from the top local elected official to specific individuals and organizations.

Chapter 9: How to Incorporate Proactive Development Strategies to Mitigate Layoffs/Closings

To Do List

- ❑ *Implement a Business Retention and Expansion Program, including the components in Figure 9.1.*
- ❑ *Learn to identify early warning signs for companies that may be in trouble.*
- ❑ *Become familiar with IWD's Labor Market Information and other economic and demographic data that is helpful in tracking trends in local industries or companies.*

After experiencing a plant closing or layoff, many community leaders wonder what they can do to become better prepared in the event they face another closing or layoff in the future. Successful economic developers agree that perhaps the most proactive strategy includes having a Business Retention and Expansion Program in place. This would include implementing an early warning system to help identify companies that may be in trouble or could benefit from economic development assistance. Business Retention and Expansion Programs and early warning systems are discussed in this chapter.

Using a Business Retention and Expansion Program as Preventative Medicine

The purpose of a Business Retention and Expansion Program is to support local businesses in order to retain them in a community and assist them when expansion opportunities arise. Having a strong program in place creates a healthy business environment and enhances communication between local businesses and the economic development organization and its partners, which will help the local economic development organization to identify and diagnose problems early, while there may still be time to take action to prevent layoffs or closings.

It is estimated that 80-85% of new employment in an area is generated by local business expansions (International Economic Development Council and International City/County Management Association). Therefore, it has been suggested that 80-85% of an economic development organization's time should be spent on working with existing businesses and business retention and expansion efforts. Working to retain existing businesses is usually easier and less expensive than trying to recruit new businesses to a community. Being able to demonstrate that existing businesses are healthy and even growing is helpful when trying to attract new industries to an area.

The most successful economic development organizations and communities are those who respond quickly to the needs of local businesses when they arise. They know the owners and management of local companies and they visit with them on a regular basis. They have

established trust and a sense of confidentiality with the businesses. The economic development organization has a network of partners or service providers to call upon for assistance when needed. In summary, the economic development organization brings value to the existing business.

According to the International Economic Development Council (2006), the retention of local business serves several economic development objectives:

- Maintaining and increasing employment opportunities.
- Maintaining a stable tax base including income, corporate and property taxes.
- Stabilizing and maintaining a vibrant economy.
- Identifying problems that need attention and/or correction.
- Exploiting new business linkages and attraction opportunities.

Having a strong business retention and expansion program in place creates a healthy business environment and will help the local economic development organization diagnose problems early, while there may still be time to take action to prevent layoffs or closings. Figure 9.1 includes components of a Business Retention and Expansion Program.

Figure 9.1

Components of a Business Retention and Expansion Program

Components of a Business Retention and Expansion Program could vary, but IEDC lists the following as components common to many programs:

- Business Survey and Visitation Programs.
- Industry Councils/Industry Roundtables.
- Business Assistance Centers.
- Marketing.
- Technical Assistance.
- Manufacturing Modernization.
- Workforce Training.
- Utility Rate Reductions.
- Energy Efficiency Programs.
- Buyer Supplier Programs.
- Locating Sites for Expansion.
- Land Redevelopment.
- Providing or Improving Infrastructure and Public Services.
- Zoning Restrictions.
- Financial Assistance.

Business Survey and Visitation Programs involve the local economic developer, IWD, and perhaps volunteers going to local businesses to interview and survey them. The information

gathered is then used to track the general health of each business and can be used as an early warning system to track concerns and identify problems individual businesses may be experiencing.

Industry Councils and Industry Roundtables bring together business leaders, the economic development organization, government officials as well as bankers, lawyers, accountants, etc. Many industry councils are organized by industry type or industry cluster and provide participants a chance to share ideas, voice concerns or learn about potential suppliers in the area.

Marketing to local firms includes various methods to inform them about the various programs and services available in the community. Marketing efforts could include brochures covering the business assistance programs available, newsletters, information on a website, business recognition luncheons and workshops.

Technical Assistance services can include helping a business locate a site or building, finding suppliers or service providers, locating employees, or consulting services such as help with marketing studies, business plans, securing financing, etc.

Manufacturing Modernization Programs “seek to improve business competitiveness by improving the quality of output, increasing productivity and reducing waste. The focus of these programs ranges from technology application to problem solving. Program services may include counseling on how to improve efficiency and what technologies to employ, problem solving, assistance on implementing a new technology or a combination of services.” (IEDC, *Introduction to Economic Development*.) One example of a program that assists manufacturing companies is The Center for Industrial Research & Service (CIRAS) at Iowa State University. CIRAS is a multifaceted center focused on enhancing the Iowa economy by helping manufacturing companies and businesses grow and become more profitable, www.ciras.iastate.edu/.

Utility Rate Reductions are often offered by utility companies in specific areas to attract new business or encourage business expansions. Contact your local utility provider for specific details.

Energy Efficiency Programs are also offered by utility companies to help individual companies improve their energy use.

The Iowa Waste Exchange (IWE) is one of the nation's premier materials exchange programs. There is a booming market for byproducts and wastes produced by Iowa institutions and businesses. Since 1990, the Iowa Waste Exchange has matched over 2.6 million tons, keeping waste out of landfills and into our economy saving Iowans \$59.6 million by diverting this waste into production and use. Visit www.iowadnr.gov/waste/iwe/index.html for more information.

Buyer-Supplier Programs are often set up to encourage companies to make purchases from local vendors. Often times, companies are not aware of local suppliers so these programs include developing a database of local purchasers and suppliers and allowing companies to search by product type or NAICS code.

Locating Sites for Expansion is one of the main features of the Location One Information System (LOIS), www.locationone.com. LOIS is a database that allows the economic developer to include a variety of information regarding available sites and buildings, including location and description of the site, square footage of buildings, zoning, utility providers and access, transportation access such as highway, rail or air, purchase price or rent required, etc. It is critical for the economic developer to keep the information in LOIS up-to-date.

Land Redevelopment and reuse “is the process of converting a previously developed property into higher, more productive use. Redevelopment improves an area through renovation and rehabilitation of existing buildings and properties.” (IEDC, 2006)

Providing or Improving Infrastructure and Public Services can include improving streets and highways, extending telecommunications infrastructure, providing funding for streetscape improvements or improving public safety.

Zoning Restrictions “protect industrial districts from the conversion of industrial buildings and land to other uses such as residential and retail. Zoning restrictions set aside a specific area for manufacturing to ensure lower real estate costs to help retain existing businesses.” (IEDC, 2006)

Financial Assistance is sometimes provided to companies through revolving loan funds, venture capital, angel networks, municipal bonds, such as industrial development bonds, tax increment financing, or a variety of other sources. The U.S. Small Business Administration (SBA) offers numerous loan programs to assist small businesses. (Refer to www.sba.gov/services/financial/assistance/index.html). It is important to note, however, that the SBA is primarily a guarantor of loans made by private and other institutions. Some of the SBA programs are listed in Figure 9.2. Another source to try is America’s Business Funding Directory at www.businessfinance.com.

Figure 9.2
SBA Programs

- Basic 7(a) Loan Guaranty – the primary business loan program to help qualified small businesses obtain financing when they might not be eligible for business loans through normal lending channels.
- Certified Development Company (CDC), a 504 Loan Program – Provides long-term, fixed-rate financing to small businesses to acquire real estate or machinery or equipment for expansion or modernization.
- Microloan, a 7(m) Loan Program – Provides short-term loans of up to \$35,000 to small businesses and not-for-profit child-care centers for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery and/or equipment.
- Special Purpose Loans – to help meet demand internationally, to aid businesses impacted by NAFTA, to assist in implementing employee ownership plans, or to help implement pollution control measures.
- Disaster Recovery Loans – to help those impacted by disasters.

Many economic development organizations survey their existing businesses on a regular basis, such as once a year, in order to formally gather information from the businesses related to their current operations and the issues and opportunities they are currently facing. The goal is for the economic development organization and the community to assist a business if possible to address the identified issues or take advantage of the opportunities that have arisen. It is critical for the local economic development professionals to maintain confidentiality when dealing with company executives. There is a variety of specialized software programs that economic development organizations may utilize to conduct an existing business survey and to track and manage their business retention efforts. In Iowa, most communities use the Synchronist Business Information System® by Blane Canada since it is provided to them through a partnership with the Iowa Department of Economic Development and the utility companies. The economic development organization's business and retention efforts should include periodic contact and visits to the facility, when feasible, or with the corporate headquarters of local employers that are not locally owned. This non-local contact and relationship can be especially important in a layoff situation since the company's local management may not be in the "loop" as corporate decisions are made about the facility in the community.

Identifying and Interpreting Warning Signs

Establishing an early warning system to identify companies that may be in trouble or could benefit from economic development assistance is an important proactive development strategy. As part of its Business Retention and Expansion Program, a local economic development organization's staff and/or volunteers should visit regularly with each plant manager to determine if the company is having any problems in terms of the actual facility, access to raw materials, finding skilled labor, accessing transportation, etc. Identifying problems early and working to correct them is critical in retaining an existing employer and avoiding future layoffs or plant closings.

Iowa Workforce Development (IWD) collects and distributes a wide range of Labor Market Information (LMI) and other economic and demographic data that is helpful in tracking trends in local industries or companies and determining whether an industry is growing, stable or declining in sales, employment, etc. Some of the information collected by IWD and reported on their Iowa Workforce Development's labor market information website www.iowaworkforce.org includes:

Industries:

- **Business Employment Dynamics** - Gross job gains and gross job losses report.
- **Current Employment Statistics (CES)** - Detailed industry data on employment, hours, and earnings of workers.
- **Employer Database** - Multi-state employer directory.
- **Iowa Quarterly Industry Review** - Public announcements of business activity in Iowa.
- **Industry Projections** - Long-term regional and state industry projections. Also, short-term statewide projections.
- **Quarterly Census of Employment and Wages (QCEW)** - Quarterly count of employment and wages.

Iowa Trends:

- **Statistical Trends** - Collection of economic indicators used to evaluate the economy.

Population:

- **Trends and Analysis** - Demographic resources including the State Data Center and the U.S. Census Bureau.

Regions:

- **Iowa Regional Profiles** - Data available for regions such as employment, unemployment and income.
- **Laborshed Studies** - Analysis of community employment data including commuting and mobility patterns.
- **Local Employment Dynamics** - Retrievable data on local market conditions.
- **Regional Information Center** - Additional tools available for regional data.

Unemployment:

- **Iowa Labor Force Summaries** - Labor force and employment data for the state and sub-state levels.
- **Unemployment Data** - Unemployment rates, tax, and insurance information.
- **Unemployment Insurance** - Statistical data on the size and scope of the program.
- **Local Area Unemployment Statistics** - Monthly and annual unemployment data for geographies.
- **Mass Layoff Statistics** - Job cutbacks report.

Wages and Income:

- **Occupational Employment Statistics (OES)** - Occupational employment and wage estimates.
- **Wage and Income Resources** - An array of information such as data on wage scales, fringe benefits, minimum wage, prevailing wage, and so on.

Beyond LMI data provided by Iowa Workforce Development, there are many other sources of information and data from public and proprietary providers that economic development organizations and communities can analyze to anticipate what is happening in certain industries or businesses in their community or region:

- *WARN Notices* - The Worker Adjustment and Retraining Notification (WARN) Act is the federal 60-day warning alert of mass layoffs or plant closures. This information can be developed into listings useful for analyzing layoff activity within a community or region, for instance, by industry sectors, sub-regions, occupations, etc. This is explained more at www.doleta.gov/programs/factsht/warn.htm. Iowa Workforce Development tracks all WARN notices in Iowa on its website (www.iowaworkforce.org/centers/warn/index.html).
- The Federal Trade Act Office in the Department of Labor and State Rapid Response Offices should also have Trade Act Petition information. The Trade Adjustment and Assistance (TAA) Program helps workers who have lost their jobs because of foreign

trade. The TAA Program offers a variety of benefits and services to eligible workers, including job training, income support, job search and relocation allowances, a tax credit to help pay the costs of health insurance, and a wage supplement to certain reemployed trade-affected workers 50 years of age or older. The Trade and Globalization Adjustment Act of 2009, part of the American Recovery and Reinvestment Act of 2009, made changes to the TAA Program. These changes can be found online at www.doleta.gov/tradeact/.

- *Public Loans and Assistance* - Information on a business's performance in repaying public loans or meeting the conditions of financial and other incentives from local and state economic development programs are good indicators of a business' financial condition. These funding programs may be administered locally by the economic development organization or city government or regionally by a council of governments or statewide by IDEED or another agency. Repayment problems are often mirrored by bank defaults and other financing problems.
- *Online Information on Businesses* – There are a variety of online services that gather information on individual businesses and track the performance of those businesses. Sources include:
 - *Dun and Bradstreet (D&B)* reports provide information on firms and industries under stress. The *D&B Alert* tracks sudden changes in firms. Refer to www.dnb.com/us/.
 - *Moody's* and *Standard & Poors* provide basic information on major companies, such as facilities by location, and company performance data. www.moody.com/cust/default.asp and www.standardandpoors.com/.
- *Utility Information* - Utility companies maintain reports of usage drops (i.e. elimination of a shift, cutbacks in overtime, fewer machines operating, etc.).
- *Personal Contact* - Information can sometimes be obtained from representatives of a company's customers and suppliers who learn if a company is in trouble through reduced products, services or payments. Additionally, if the business is unionized, the local labor union can provide information on the employment situation of its members related to reduced hours, layoffs and other actions. This information is generally available in the field.
- *Publications* - Major business magazines, industry trade publications, regional business journals, or local and regional newspapers report changes in management or markets; strengths and weaknesses of products; legal, labor, and compliance issues etc.
- *Company Publications and Reports* - Company annual and quarterly reports provide financial information on specific firms. These can be obtained through the website for the Securities Exchange Commission (SEC- <http://www.sec.gov>), also listed in the compendium. All public companies have to file two documents. One is the 10-K, the annual report, and the 10-Q, the quarterly report. These two documents are the official, legal statements on a company's financial health. The law requires them to be accurate,

although there can be a “public relations spin” from the company in the information they provide.

Responding to Early Warning Signs

Having a Business Retention and Expansion Program in place that tracks early warning signs should assist the local economic development organization in identifying problems that a company is having in time to help correct the problems. For example, if a company has outgrown its current facilities the economic development organization could work with the company to locate or construct a new building. If there is a problem with energy rates or availability, the local economic developer could work with the utility provider to solve the problem. On the other hand, if worker availability or training is an issue, the economic development organization could work with its area community college and Iowa Workforce Development to identify strategies to help the business to address its workforce issues. It is critical to remain proactive in dealing with these issues. There is no substitute for personal visits and becoming familiar with businesses and their managers and/or owners.

Chapter 10: Strategies to Recover from Layoffs/Closings

To Do List

- ❑ *Use data on workforce skill levels and occupations to target new industries.*
- ❑ *Complete a SWOT Analysis to determine what assets the community has to offer new industries.*
- ❑ *Encourage entrepreneurship by linking small businesses with small business assistance agencies.*
- ❑ *Become knowledgeable about various funding opportunities and agencies.*

Following a plant closing or layoff, the community and the local economic development organization may be anxious to find a new company to hire the displaced workers and/or purchase the vacated building. It is important to realize that not every company will be a good fit for the community. Therefore, it is critical to identify the strengths and weaknesses of the community in order to be able to match the community's strengths to the needs of industries. This process, called "targeting industries," can focus on targeting based on available labor or targeting based on other assets such as sites or buildings, transportation access, or other factors as discussed in the following sections.

Targeting Industries Based on Available Labor

As discussed in Chapter 1, Iowa Workforce Development (IWD) surveys employees that are being laid off to determine what job skills they possess. The results of these surveys and any additional information about the impacted workers can be used to market these workers to other companies. Once the labor skills/occupations of the workers have been identified, industries can be analyzed to determine which industries need workers with these skills or in these occupations. The targeting process could include an analysis of the following areas:

- Skill levels/occupations of the available workforce.
- Industry growth rates (over the past 10 years).
- Projected growth rates for industries (for the next 5 years).
- Average establishment size.
- Industry presence In Iowa and the Midwest.
- Labor requirements of industries.
- Available sites and buildings in the community.
- Utility capacities and transportation assets.

Analyzing these factors will help narrow down the potential to industries to those that have needs that match with the labor assets and sites and building assets of the community.

Targeted Attraction of New Industries Based on Other Location Factors

Communities that have a strong Business Retention and Expansion Program in place may also want to attract new industries to the community. Attracting new industries helps to diversify the economic base of the community, enhances the tax base and creates new jobs for residents. Before a community tries to recruit new companies, it is critical that the economic developer determine what assets the community has to offer. Completing a SWOT analysis (strengths, weaknesses, opportunities and threats) will provide valuable information as to what the advantages of a particular community are.

Figure 10.1
2009 Top 10 Site Selection Factors

1. Labor costs.
2. Highway accessibility.
3. Tax exemptions.
4. Energy availability and costs.
5. Corporate tax rates.
6. Availability of skilled labor.
7. Occupancy or construction costs.
8. State and local incentives.
9. Availability of advanced ICT services.
10. Inbound/outbound shipping costs.

Source: *Area Development*, December 2009

Comparing the assets of a community with the needs of various industries will result in some possible target industries for a community. Needs can vary among industries, but there are several factors deemed important by many industries. Each year, *Area Development* magazine conducts a survey to determine the important site selection factors and the results are reported at www.areadevelopment.com/CorpSurveyResults/. Figure 10.1 contains the Top 10 Site Selection Factors identified in the most recent survey by *Area Development* magazine. A total of 25 site selection factors were ranked. Other factors considered very important were low union profile, available land, availability of buildings, and right-to-work state and environmental regulations.

IEDC reports that common requirements among major industry groups exist, as shown below:

Common Site Location Requirements Among Major Industry Groups

Heavy industries: water and sewer capacity, workforce cost and availability, cost per square foot of industrial space, taxes and regional regulations.

Retail: proximity to markets/customers, local demographics, facility location, total square footage of floor space, taxes and parking.

Headquarters: quality of life, business climate, proximity to airports and highways.

Back office: human resources, utility rates and lines including telecommunications, real estate costs and proximity to transportation systems.

Source: IEDC

It is important that the economic development organization compile the types of information that site selectors need when evaluating locations. This would include comprehensive information on available sites and buildings, workforce, demographics, education, transportation, utilities, business climate and quality of life. A database such as Location One Information System is helpful for storing and updating this information, www.locationone.com.

Entrepreneurship Among Displaced Workers

During bad economic times, it has traditionally been the case that entrepreneurial activities increase. “An increase in the intensity of unemployment will frequently be accompanied by an increase in the prevalence of self-employment,” wrote Robert Boyd, a professor at Mississippi State University in 2003. He went on to say that “when joblessness rises during a business-cycle downturn, self-employment also tends to rise as many displaced workers become small-business owners in response to the pressing need to find a substitute for wage/salary employment.” Maureen Collins-Williams, Director of Business Development and Incubation at the University of Northern Iowa, refers to this as “necessity entrepreneurship.”

IEDC recommends that the economic developer know what resources are available in the area, what services they provide and be able to link small businesses with the appropriate corresponding small business assistance agency. Partners in entrepreneurial development are listed in Figure 10.2:

Figure 10.2 Partners in Entrepreneurial Development

- Small Business Development Centers (SBDCs).
- John Pappajohn Entrepreneurial Centers.
- Local universities or community colleges.
- Business and industry associations.
- Financial institutions.
- Websites and other online resources and networking sites such as MyEntre.Net.
- Chambers of Commerce.

In Iowa, the community-directed rural business accelerator program called MyEntre.Net is available to assist entrepreneurs, community leaders and volunteers. MyEntre.Net creates community-based support networks for entrepreneurs, provides start-up and existing companies with advanced technical assistance and training, assists potential and existing entrepreneurs in identifying and accessing capital, and connects rural entrepreneurs with services, people and information through technology. Versions of this program also exist in Texas, Illinois, Michigan and Nevada.

Many other programs exist to assist entrepreneurs such as the Kauffman FastTrac Launchpad initiative; Start up Now, a groundbreaking program dedicated to fostering entrepreneurship in Tempe, Arizona; and workshops such as those sponsored by the Missouri S&T Technology Transfer and Economic Development Office to assist those interested in becoming entrepreneurs. Some communities have set up incubator space and offer a suite of business services such as bookkeeping, IT and marketing services for home-based businesses.

Financing Recovery Efforts

IWD is able to access Federal economic adjustment funds through the Economic Development Administration (EDA) and the Department of Labor. Communities can work with IWD to access the Department of Labor's Dislocated Worker Employment and Training program www.doleta.gov/programs/ETA. Other opportunities through the Department of Labor include:

1. Community Based Job Training grants.
2. Minority Business Enterprise Center - This opportunity would have more stringent qualifications in order for a community to be eligible.

Other programs that can be accessed through IWD (www.iowaworkforce.org) include:

1. Workforce Investment Act (WIA) Dislocated Worker Program – provides retraining and re-employment services to individuals who have been dislocated from their jobs, and to displaced homemakers. Refer to Exhibit A for additional information on WIA.
2. Trade Adjustment Assistance (TAA) – This Federally funded employment and training program provides benefits to individuals displaced from their jobs due to foreign competition and jobs that are lost because the work activity was moved either out of the U.S. or as a direct result of foreign imports.
3. WIA National Emergency Grants (NEG) – These special grants are used to provide retraining and re-employment service to individuals dislocated because of a closure or substantial layoff from a specific business or facility.

Funding opportunities available through the U.S. Department of Agriculture (USDA) include:

1. Rural Business Opportunity Grants (RBOG) www.rurdev.usda.gov/RBS/BUSP/rebog.htm.
2. Rural Business Enterprise Grants (RBEG) www.rurdev.usda.gov/RBS/Busp/rbeg.htm.
3. Rural Community Development Initiative (RCDI) - This opportunity has stringent population and income qualifications.

The Economic Adjustment Assistance Program is available through EDA to communities seeking assistance www.eda.gov/AboutEDA/Programs.xml. A plant closure or layoff could qualify as a “special need” under this opportunity. The EDA also provides technical assistance in partnership with a service provider. For additional information contact EDA's staff person for the state of Iowa

There are specific funding opportunities through other Federal agencies related to jobs in specific fields, such as “Green” job training opportunities through the Department of Energy (DOE), health-related job training through the Department of Health and Human Services (HHS) and science/engineering through the National Science Foundation (NSF). Special one-

time funds occasionally are made available, such as the National Emergency Grant under the American Recovery and Reinvestment Act of 2009. The U.S. Department of Labor awarded this grant to Iowa Workforce Development in 2009 to assist laid-off workers at Featherlite Inc. in Cresco, Iowa.

Communities can also look to their usual funding partners such as utility companies and the Iowa Department of Economic Development (IDED). Other sources include local and regional community foundations, gaming associations, etc., as they will often consider such projects. One of the key roles for the local economic development organization is to develop a working inventory of the vast menu of possible assistance programs and serve as a clearinghouse for information about those programs.

Exhibits

Exhibit A: Federal WARN Act and Workforce Investment Act

The federal Worker Adjustment and Retraining Notification (WARN) Act was enacted on August 4, 1988 and became law effective on February 4, 1989 providing protection to workers, their families and communities by requiring employers to provide a 60 day calendar notice in advance of covered plant closings and mass layoffs. To learn more, read the summary of public law number 100-379 (S. 2527). Please note there are currently no additional legislative regulations imposed on employers by the State of Iowa.

When the WARN Notice is received of a major worker dislocation, Iowa Workforce Development's Rapid Response Coordinator contacts company officials as soon as possible to discuss early intervention services. At this time, IWD begins its responsibilities under the Federal legislation for the WARN Act and the Workforce Investment Act (WIA) to serve as the lead agency for the coordination of services and serve as the Chair of the meetings held as part of the Rapid Response process.

For additional information on WARN Act requirements, contact your [State Rapid Response Coordinator](#) or utilize the [WARN Elaws Advisor](#). Elaws Advisors help you understand your rights and responsibilities under the employment laws and regulations. Each Advisor imitates the interaction you might have with an employment law expert. The Advisors ask questions and provide answers based on your responses.

Employer's Guide to Advance Notice of Closings and Layoffs

http://www.doleta.gov/layoff/pdf/EmployerWARN09_2003.pdf

WARN Reports:

Review a list of WARN notices received by the Iowa Workforce Development. WARN reports available include summary detail on the affected employers and their layoffs or plant closures.

<http://www.iowaworkforce.org/centers/warn/warn.pdf>

Source: <http://www.iowaworkforce.org/layoffs/rapidresponse/warn.htm>

Workforce Investment Act (WIA)

The federal Workforce Investment Act (WIA), which superseded the Job Training Partnership Act, offers a comprehensive range of workforce development activities through statewide and local organizations. Available workforce development activities provided in local communities can benefit job seekers, laid off workers, youth, incumbent workers, new entrants to the workforce, veterans, persons with disabilities, and employers.

The purpose of these activities is to promote an increase in the employment, job retention, earnings, and occupational skills improvement by participants. This, in turn, improves the quality of the workforce, reduces welfare dependency, and improves the productivity and competitiveness of the nation.

One-Stop centers use varied strategies in providing the appropriate services to meet the needs of their customers:

- **Core Services** are available and include, in part, labor market information, initial assessment of skill levels, and job search and placement assistance.
- **Intensive Services** are available to eligible unemployed individuals who have completed at least one core service, but have not been able to obtain employment, or employed individuals needing additional services to obtain or keep employment that will lead to personal self-sufficiency.
- **Training Services** are available to eligible individuals who have met the requirements for intensive services and have not been able to obtain or keep employment. Individual Training Accounts are established to finance training based upon the individual's choice of selected training programs.

Benefits of WIA

The activities provided by WIA at the local level offer a variety of benefits to both program participants and the communities in which they reside:

- Job Seekers
 - Universal access to job search and labor market information
 - Advice, counseling, and support
 - Education and skills training
 - Individual choice of service
- Employers
 - Influence over local area employment policy
 - Improved and trained employee pool
 - Development of on-the-job and customized training opportunities
 - Assistance for laid-off workers

- Community
 - Access to local area job market information
 - Improved workforce quality
 - Services designed for local area needs
 - Reduced need for welfare

Source: http://www.edd.ca.gov/jobs_and_training/Workforce_Investment_Act.htm

Exhibit B: Iowa WARN Notice

The Worker Adjustment and Retraining Notification Act (WARN)

[Official IWD WARN Log](#)
(PDF File Size 2662KB)
Last Updated May 3, 2011

The Adobe Acrobat Reader is required to view publications
in the Portable Document File (PDF) format.
[Download the Adobe Acrobat Reader Free!](#)



What is WARN?

The Worker Adjustment and Retraining Notification Act (WARN) was enacted on August 4, 1988 and became effective on February 4, 1989.

WARN offers protection to workers, their families, and communities by requiring employers to give 60 days advance notice of covered plant closings and covered mass layoffs. This notice must be given to either the affected workers or their representatives (e.g., a labor union) plus the State Dislocated Worker Unit and the appropriate unit of local government.

In general, employers are covered by WARN requirements if they have 100 or more employees, not counting employees who have worked less than 6 months in the last 12 months and not counting employees who work an average of less than 20 hours a week. Federal, State, and local government entities which provide public services are not covered by WARN. Employees entitled to notice under WARN include hourly and salaried workers as well as managerial and supervisory employees. Business partners are not entitled to WARN notices.

Enforcement of the WARN requirements is through the United States district courts. Workers' representatives of employees and units of local government may bring individual or class action suits. In any suit, the court, at its discretion, may allow the prevailing party a reasonable attorney's fee as part of the costs.

Plant Closing:

A covered employer must give notice if an employment site will be shut down and the shutdown will result in an employment loss (as defined later) for 50 or more employees during any 30-day period. An employment site is defined as one or more facilities or operating units within an employment site. The 50 or more employees criterion does not count employees who have worked less than 6 months in the last 12 months or employees who work an average of less than 20 hours a week for the covered employer. These latter groups, however, are entitled to notice (discussed later).

Mass Layoff:

A covered employer must give notice if there is to be a mass layoff (which does not result from a plant closing), which will result in an employment loss at the employment site during any 30-day period for: a) 500 or more employees, or b) 50-499 employees if they make up at least 33 percent of the employer's active workforce. Again, this does not count employees who have worked less than 6 months in the last 12 months or employees who work an average of less than 20 hours a week for that employer.

An employer also must give notice if the number of employment losses which occur during a 30-day period fails to meet the threshold requirements of a plant closing or mass layoff but the number of employment losses for two or more groups of workers -- each of which is less than the minimum number needed to trigger notice -- reaches the threshold level of either a plant closing or mass layoff during any 90-day period. Job losses within any 90-day period will count together toward the WARN threshold levels unless the employer demonstrates that the employment losses during the 90-day period are the result of separate and distinct actions and causes.

Sale of Business:

In a situation involving the sale of part or all of a business, one should be guided by the following:

1. In each situation, there is always an employer responsible for giving notice.
2. If the sale by a covered employer results in a covered plant closing or mass layoff, the required parties (discussed later) must receive at least 60 days notice.
3. The seller is responsible for providing notice of any covered plant closing or mass layoff which occurs up to and including the date/time of the sale.
4. The buyer is responsible for providing notice of any covered plant closing or mass layoff which occurs after the date/time of the sale.
5. No notice is required if the sale does not result in a covered plant closing or mass layoff.
6. For purposes of WARN, on the day/time of the sale, employees (other than employees who have worked less than 6 months in the last 12 months or employees who work an average of less than 20 hours a week) of the seller become employees of the buyer immediately following the sale. This provision preserves the notice rights of the employees of a business that has been sold.

The State of Iowa has now enacted provisions and legislation regarding business closure/downsizing for Iowa businesses. Visit [Iowa Layoff Notification Law](#) for more information

For questions and issuances of WARN notifications, contact:

State Dislocated Worker Unit
Iowa Workforce Development
430 E Grand Avenue
Des Moines, Iowa 50309-5563
(515) 669-0359
Email: Dislocated.Worker@iwd.iowa.gov

Exhibit C: Iowa Utility Company Information**Alliant Energy**e-mail econdev@alliantenergy.com

Phone: 800-255-4268

Alliant Energy's Economic Development team provides site location expertise for relocating or expanding businesses, as well as partnership programs and other opportunities for community leaders. Consulting services include: energy cost estimates for prospects, site and building evaluations, community assessments, the First Impressions program and prospect visitation support.

Source: <http://midwestsites.com/CommunityDevelopment/ConsultingServices/index.htm>**Black Hills Energy**e-mail mike.fastenau@blackhillscorp.com

Phone: 800-306-4237

Black Hills Energy can help you encourage existing companies to stay and expand, find and bring new business to your community, and improve your area's assets and market them to the world. They have assisted hundreds of communities with a variety of project proposals, lead generation activities, community infrastructure planning, organizational development and innovative, cost-effective energy solutions.

Source: <http://economicdevelopment.blackhillsenergy.com/econdev/community/>**Iowa Area Development Group**e-mail danderson@iadg.com

Phone: 800-888-4743

The Iowa Area Development Group was organized in 1985 to serve businesses interested in expanding or locating within the member-owned and municipal electric service areas of Iowa. IADG's services include assistance with site selection, financial packaging, permitting and access to QuestLine, a team of technical and engineering experts.

Source: http://www.iadg.com/iowa_economic_development_services.aspx**MidAmerican Energy**e-mail economicadvantage@midamerican.com

Phone: 800-358-6265

MidAmerican Energy's EconomicAdvantage Group's Local partners Program is planned to increase effectiveness of local development organizations within the MidAmerican Energy region. The Local Partners Program offers opportunities to leverage local resources in the areas of product enhancement, strategic planning and implementation, workforce development, professional development and special projects.

Source: <http://www.midamericanenergy.com/econdev8.aspx>

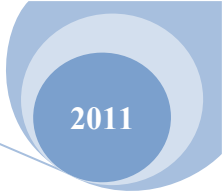


Exhibit D: Employer Rapid Response Survey

Company
Address
Phone #
Web site

Day of week, Date, Time

Rapid Response Facilitator: _____

1. How many workers?
2. What shifts do the affected workers work?
3. Are workers represented by one or more Unions? Yes / No

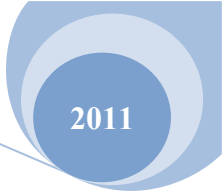
Union Name: _____

Union Contact Person: _____

Union Name: _____

Union Contact Person: _____

4. How many affected workers are union?
5. How many affected workers are non-union?
6. How many affected workers are management?
7. When will this layoff occur?
8. Will this layoff be in mass or incremental?



9. If incremental, what is the schedule?

10. Is production being transferred to another plant / facility?

 If yes, where?

11. What is the wage range of the affected workers?

12. What is the average wage of the affected workers?

13. What is the average age of the workers?

14. What is the female:male ratio?

15. What is the average tenure of the workforce?

16. What are the top 5 job titles of the affected workers, by order of number of workers:
 1. _____
 2. _____
 3. _____
 4. _____
 5. _____

17. Are any of the affected workers currently in any type of training program, either on or off site?

- 18. What is the benefit package of the affected workers? (generic response only)
- 19. Has the employer contributed to the employee's retirement package? Yes / No
- 20. Is there a severance package? Yes / No
- 21. Is there a bonus package? Yes / No
- 22. Are there "stay pay" stipulations? Yes / No
- 23. How will affected workers be paid their earned vacation?
- 24. Are there / will there be affiliated companies (security, trucking, janitorial, cafeteria, etc.) affected by this layoff?

Company Name: _____

Company Name: _____

Company Name: _____

- 25. Is there a minimum educational level to be employed by this company?
- 26. Do any of the affected workers use a language other than English as their primary language?
- 27. Do any of the affected workers require assistive technology because of hearing or sight impairment?
- 28. Are there facilities on site to conduct meetings? Yes / No
- 29. Is there a need for a communications team? Yes / No
- 30. If individuals at this meeting are contacted by the media, who shall they say is the contact person for the company?

Exhibit E: Worker Survey

COMPANY NAME & Number
Worker Survey

All information from this survey is strictly confidential. Individual results will be analyzed for re-employment, retraining assistance, and research purposes only.

Name: _____ Today's Date: _____

Last day of work: _____ *If exact date not known, please select a range below.*
 within 30 days within 90 days within 180 days Unknown
 within 60 days within 120 days more than 180 days

Address: _____

City: _____ State: _____ Zip Code: _____ County: _____

Contact Phone: (_____) _____ Date of Birth: _____

Personal Email: _____

Gender: Male Female Age Range: 18-21 22-35 36-49 50-64 65+

Are you a veteran? Yes No

Is your spouse a veteran? Yes No Not married Surviving Spouse
If yes, is your spouse currently serving in the armed forces? Yes No

Highest Grade in School Completed (Choose one below):

- Did Not Complete High School Associate Degree
- High School Diploma / GED Undergraduate Degree
- Some College, No Degree Graduate Degree

Trade / Vocational Training or Skills (Choose one below):

- No Trade/Vocational Training
- Some Trade/Technical School, No Certificate
- Trade/Vocational Certificate or Licensure (Please specify): _____
- Additional Training (Please specify): _____

Current or Most Recent Job Title: _____

What is your rate of pay? \$ _____ Hourly Salary (Choose one of the following ranges)

- Under \$9.25 / Under \$19,240 \$14.50 - \$18.24 / \$30,160 - \$37,959 \$28.75 - \$35.99 / \$59,800 - \$74,879
- \$9.25 - \$11.49 / \$19,240 - \$23,919 \$18.25 - \$22.74 / \$37,960 - \$47,319 \$36.00 - \$45.24 / \$74,880 - \$94,119
- \$11.50 - \$14.49 / \$23,920 - \$30,159 \$22.75 - \$28.74 / \$47,320 - \$59,799 \$45.25 and over / \$94,120 and over

Average number of hours worked per week? (Choose one range)

- Less than 20 hours 35-40 hours
- 20-31 hours More than 40 hours
- 32-34 hours

How many full years of service do you have with this company? (Choose one range)

- Less than 1 year 5 to 9 years 15 to 19 years 25 to 29 years
- 1 to 4 years 10 to 14 years 20 to 24 years 30 or more years

Please select the category which best fits desired job type:

- | | |
|---|--|
| <input type="checkbox"/> Architecture & Engineering | <input type="checkbox"/> Installation, Maintenance, & Repair |
| <input type="checkbox"/> Arts, Design, Entertainment, Sports, & Media | <input type="checkbox"/> Legal |
| <input type="checkbox"/> Building & Grounds Cleaning & Maintenance | <input type="checkbox"/> Management |
| <input type="checkbox"/> Business & Financial Operations | <input type="checkbox"/> Military |
| <input type="checkbox"/> Community & Social Services | <input type="checkbox"/> Office & Administrative Support |
| <input type="checkbox"/> Computer & Mathematics | <input type="checkbox"/> Personal Care & Services |
| <input type="checkbox"/> Construction & Extraction | <input type="checkbox"/> Physical & Social Sciences |
| <input type="checkbox"/> Education, Training, & Library | <input type="checkbox"/> Production |
| <input type="checkbox"/> Farming, Fishing, & Forestry | <input type="checkbox"/> Protective Services |
| <input type="checkbox"/> Food Preparation & Serving Related | <input type="checkbox"/> Sales & Related |
| <input type="checkbox"/> Healthcare Practitioner & Technical | <input type="checkbox"/> Transportation & Material Moving |
| <input type="checkbox"/> Healthcare Support | |

When looking for a new occupation, what wage range would you be willing to accept?

(Choose one of the following ranges)

- | | | |
|--|--|--|
| <input type="checkbox"/> Under \$9.25 / Under \$19,240 | <input type="checkbox"/> \$14.50 - \$18.24 / \$30,160 - \$37,959 | <input type="checkbox"/> \$28.75 - \$35.99 / \$59,800 - \$74,879 |
| <input type="checkbox"/> \$9.25 - \$11.49 / \$19,240 - \$23,919 | <input type="checkbox"/> \$18.25 - \$22.74 / \$37,960 - \$47,319 | <input type="checkbox"/> \$36.00 - \$45.24 / \$74,880 - \$94,119 |
| <input type="checkbox"/> \$11.50 - \$14.49 / \$23,920 - \$30,159 | <input type="checkbox"/> \$22.75 - \$28.74 / \$47,320 - \$59,799 | <input type="checkbox"/> \$45.25 and over / \$94,120 and over |

Do you require special accommodations in the workplace? Yes No

Have you worked in other occupations in the last five years? Yes No

If yes, what occupations have you worked in? _____

What is the primary language spoken in your household? (Mark all that apply)

- Chinese
- Japanese
- Lao
- Spanish
- Somali
- Vietnamese

Are you currently enrolled in school? Yes No

If yes, what are you enrolled in? High School/GED Post High School

Would you be interested in additional training? Yes No

If yes, is your spouse currently serving in the armed forces? Yes No

Please indicate below the things that you are able to do on a computer.

- | | | |
|--|--|--|
| <input type="checkbox"/> Access the Internet | <input type="checkbox"/> Write letters or other documents | <input type="checkbox"/> None of the things listed |
| <input type="checkbox"/> Send and receive E-mail | <input type="checkbox"/> Do financial record keeping or bookwork | |

Workshops Available: Please rate these workshops in order of importance to you (1 to 4):

_____ Your Successful Job Search	_____ Budgets & Finances
_____ Coping with Change	_____ Job & Career Options

When looking for employment opportunities, which advertising medium do you use?

- | | |
|--|---|
| <input type="checkbox"/> Workforce Development Centers | <input type="checkbox"/> Newspapers (please list) _____ |
| <input type="checkbox"/> Networking through Friends | <input type="checkbox"/> Internet Sites (please list) _____ |

What is the maximum number of miles you are willing to commute one-way for employment? (Choose one)

- 10 or less 20 30 40 50 or more

Would you be willing to relocate for an employment opportunity?

- Relocate within the state? Relocate to neighboring states? Relocate nationwide?
 Yes No Yes No Yes No

What are your future employment plans? (Choose all that apply)

- Seek employment immediately (*same job type*) Seek employment immediately (*new job type*)
 Full-time Part-time Full-time Part-time
 Already have a job lined up Retirement/leaving the workforce
 Start my own business Obtain additional certification
 Attend school/training Undecided
 Other (*Please specify*): _____

Do you require any special accommodations at the workplace? Yes No**Would you like individual assistance with any of the following? (Choose all that apply)**

- Finding out what jobs are available Paying moving expenses
 Understanding how my skills & experience relate to new jobs Budgeting & paying my bills without a job
 Deciding what jobs I can do Helping my family through this current situation
 Learning how to find a new job Deciding which school would be best for me
 Developing a résumé Tuition & books
 Filling out job applications Paying for child care while I go to school
 Dealing with my loss of employment Transportation expenses to & from school
 Other (*Please specify*): _____

What training or education would you be interested in? (Choose all that apply)

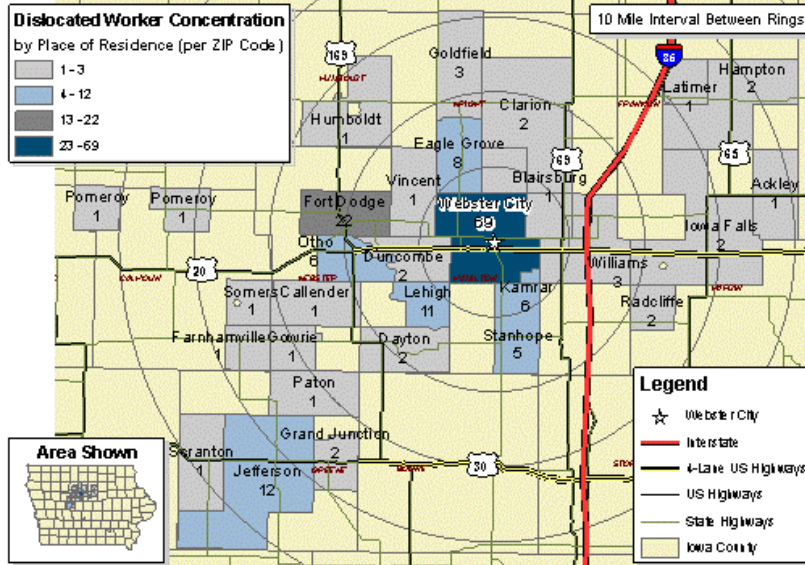
- Reading skills training Finishing/Obtaining a GED/High School Equivalency
 Math skills training Finishing/Obtaining an Associate Degree
 Writing skills training Finishing/Obtaining an Undergraduate Degree
 Basic computer skills training Finishing/Obtaining a Graduate Degree
 Finishing/Obtaining a Trade/Vocational Certificate or Licensure (*Please specify*): _____

 Other (*Please specify*): _____
 Unsure

Please return completed survey to State Dislocated Worker Unit staff. Thank you

Exhibit F: Worker Survey Fact Sheet

**Electrolux
Dislocated Worker Characteristics
Released May 2010**



The map (above) illustrates where workers live affected by the dislocation from employment. Workers are willing to drive an average of 34 miles one way for employment opportunities. Nearly one-fourth (24.4%) of the workers are willing to relocate.

Education Level:

- 51.5% High school diploma or GED
- 39.4% Have some education beyond high school
- 5.1% Trade certified
- 3.3% Vocational training
- 9.1% Associate degree
- 0.7% Undergraduate degree
- 3.7% Currently attending school

Wages:

- At Separation:
- Median hourly wage - \$16.50/hr.
 - Males - \$16.50/hr.
 - Females - \$16.31/hr.
 - Lowest median wage willing to accept - \$14.00/hr
- These wages may vary depending upon occupational category*

Other Facts:

- 52.7% are male
- 47.3% are female
- Average age of 50 years
- 100% paid an hourly wage
- Have maintained employment for an average of 21 years
- 5.4% require special accommodations at the workplace

Future Plans:

- 92.2% Search for another job
- 82.0% Enroll in school
- 27.5% Open a business
- 20.6% Retire

Job Search Media:

- (by percent interest)*
- Local/Regional Newspapers
 - Local Iowa Workforce Development Centers
 - Networking through friends, family, and acquaintances
 - Internet
 - www.iowaworkforce.org
 - www.monster.com
 - www.iowajobs.org

Computer Abilities:

- 69.6% Have interest in receiving basic computer instruction
- 79.3% Able to access the internet
- 69.1% Able to send & receive E-mail
- 47.3% Able to use word processing software
- 20.7% Able to use financial & bookkeeping software

Workshops Available:

- (by percent interest)*
- Job & Career Options
 - Your Successful Job Search
 - Budgets & Finances
 - Coping With Change

Workshops Time of Day Preference:

- 54.5% Night
- 23.3% Morning
- 22.2% Afternoon

Available Skilled Labor:

- Business Operations:**
- Purchasing Agents - 1
- Production:**
- Assemblers & Fabricators - 18
 - Electricians - 7
 - Inspectors, Testers, Sorters, Samplers, & Weighers - 24
 - Maintenance & Repair - 15
 - Multiple Machine Operators - 58
 - Painters - 8
 - Press Machine Operators - 13
 - Production Workers, All Other - 96
 - Tool & Die Makers - 3
 - Welders - 3
- Transportation & Material Handling:**
- Forklift Operators - 7
 - Laborers - 10
- Undisclosed - 12**
- Total - 275**

Individuals Would Like Assistance With:

- Finding out what jobs are available - 72.0%
- Deciding what jobs they can do - 53.5%
- Understanding how their skills & experience relate to new jobs - 49.1%
- Developing a resume - 46.9%
- Deciding which school would be best for them - 45.8%
- Tuition & books - 45.1%
- Transportation expenses to & from school - 44.0%
- Learning how to find a new job - 42.2%
- Budgeting & paying their bills without a job - 33.1%
- Filling out job applications - 29.5%
- Dealing with the loss of their employment - 18.5%
- Paying moving expenses - 17.8%
- Helping their family through this current situation - 14.5%
- Child care for their children while they go to school - 7.6%

For additional information contact:

Iowa Workforce Development
Three Triton Circle
Fort Dodge, IA 50501
Phone: 515.576.3131 ext. 236
Fax: 515.955.1420



Related Jobs

Jobs Related to Structural Metal Fabricators and Fitters

Sheet Metal Workers
 Welders, Cutters, and Welder Fitters
 Solderers and Brazers
 Model Makers, Metal and Plastic
 Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders
 Lay-Out Workers, Metal and Plastic
 Precious Metal Workers
 Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic
 Stone Cutters and Carvers, Manufacturing
 Team Assemblers
 Drilling and Boring Machine Tool Setters, Operators, and Tenders, Metal and Plastic
 Crushing, Grinding, and Polishing Machine Setters, Operators, and Tenders
 Molding and Casting Workers

Jobs Related to Electricians

Helpers--Electricians
 Electric Motor, Power Tool, and Related Repairers
 Electrical and Electronics Installers and Repairers, Transportation Equipment
 Electrical and Electronics Repairers, Powerhouse, Substation, and Relay
 Electrical and Electronics Repairers, Commercial and Industrial Equipment
 Control and Valve Installers and Repairers, Except Mechanical Door
 Signal and Track Switch Repairers
 Electronic Equipment Installers and Repairers, Motor Vehicles
 Electro-Mechanical Technicians
 Electromechanical Equipment Assemblers
 Maintenance Workers, Machinery

Jobs Related to Fork Lift Operator

Laborers and Freight, Stock, and Material Movers, Hand
 Hoist and Winch Operators

Jobs Related to Welder

Welders, Cutters, and Welder Fitters
 Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders
 Sheet Metal Workers
 Structural Metal Fabricators and Fitters
 Solderers and Brazers
 Boilermakers
 Lay-Out Workers, Metal and Plastic
 Pipe Fitters and Steamfitters
 Structural Iron and Steel Workers
 Industrial Machinery Mechanics
 Reinforcing Iron and Rebar Workers
 Control and Valve Installers and Repairers, Except Mechanical Door
 Maintenance Workers, Machinery
 Computer-Controlled Machine Tool Operators, Metal and Plastic
 Team Assemblers
 Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic

Source: <http://www.onetcodeconnector.org/>

Exhibit G: Worker Transition Committees

Composition of a Worker Transition Committee (WTC): It is recommended that a Worker Transition Committee consist of three to five representatives, each from the workers and the company. Representatives from state agencies and service organizations should be involved with the committee, but serve only as ex-officio members.

Structure of the WTC Committee: The structure for the committee is to be determined by the selected members, with the election of co-chairs (one from labor and one from management) or the selection of a neutral person to chair the meetings and direct the agenda. Duties of the chair person(s) include:

- ✓ Presiding over committee meetings, including establishing committee structure;
- ✓ Representing the WTC at various community functions;
- ✓ Ensuring required reports/minutes of meetings and financial reports of the committee are completed and accurate;
- ✓ Ensuring that the committee agenda includes only items that enhance the reemployment of the impacted workforce, and initiatives are coordinated with appropriate state and local entities; and
- ✓ Preparing a detailed final report of the committee's activities.

Duties of the WTC Committee may include, but are not limited to:

- ✓ Coordinating and participating in an information workshop for workers and their families;
- ✓ Assisting with the completion of a worker survey and participating in the design of a service strategy based upon the survey's results;
- ✓ Maintaining and updating a comprehensive list of all laid-off workers that indicates each person's status;
- ✓ Enhancing job placement activities by utilizing the company's business and worker networks;
- ✓ Providing workers with a listing of employment and training services and community resources;
- ✓ Conducting a job fair;

- ✓ Opening an Outplacement Center; and
- ✓ Providing news releases and employee letters that describe current status of workers and service options.

The activities of the committee should be coordinated closely with local and state initiatives assisting the impacted employer and employees.

Funding of the WTC Committee: In most cases, the company and local contributions fund the cost of the WTC Committee. At the discretion of the State Dislocated Worker Unit, if funds are available, the State may provide financial assistance to help with the establishment and operation of a WTC. The amount of the state financial assistance must be matched, at a minimum, on a dollar for dollar basis. To receive such funds, the WTC must develop an initial plan of activities, including a budget, and submit it to the State Dislocated Worker Unit. Any state funds made available to the WTC may only be used to cover the initial start-up and operating costs of the committee for a maximum of the first six months.

Allowable costs are limited to:

1. The wages, excluding overtime, of the representatives of the company and the workers for the time actually engaged in the business of the committee as certified by the chairperson(s);
2. Necessary disbursements for travel, office supplies, clerical support, preparing and printing reports and other similar expenses as approved by the committee;
3. The wages of the chairperson(s) of the committee if that individual is not serving as a volunteer;
4. Costs such as consulting or research fees, salaries and services expenses incurred for the benefit of the workers at the plant on behalf of and approved by the committee;
5. Other administrative costs determined appropriate by the committee and approved by the chair(s) for the benefit of the impacted workers and family members.

Exhibit H: Sample Community Response Team Initial Meeting Agenda

_____ Community Response Team Meeting

_____ (date)

_:__ pm/am – _:__ pm/am

_____ (meeting location)

Agenda

Purpose: To establish the Community Response Team and begin the development and implementation of actions to minimize the impacts of the closing/layoffs on impacted workers and their families and the community

- I. Introductions / Operating Principles
- II. Reviewing the Closing/Layoff Situation
- III. Discussing the Team's Mission/Purpose & Structure
 - A. Team Co-Chairs
 - B. Committees/Task Groups
- IV. Addressing the Immediate Needs of Impacted Workers & Families
 - A. Assistance Available to Impacted Workers
 - B. Identify Gaps in Assistance
 - C. Determine Next Steps (What Action? Who is Responsible? By When)?
- V. Interacting with the Business
 - A. Determine the Appropriate Level of Interaction
 - B. Determine Who from the Team
 - C. Determine Next Steps (What Action? Who is Responsible? By When)?
- VI. Identifying Other Critical Issues
 - A. Determine Additional Critical Issues that Must Be Addressed
 - B. Determine Next Steps (What Action? Who is Responsible? By When)?
- VII. Communicating with the Community
 - A. What Should Be Communicated
 - B. Team Spokesperson
 - C. Determine Next Steps (What Action? Who is Responsible? By When)?
- VIII. Next Steps
 - A. Scheduling Next Meetings
 - B. Meeting Follow Up Actions

Exhibit I: Optional – Developing a SWOT Analysis as a Basis for Planning

Some community leaders will likely not have the time or willingness to work through the detail of a SWOT analysis. A task force of the Community Response Team could work through it and report the results.

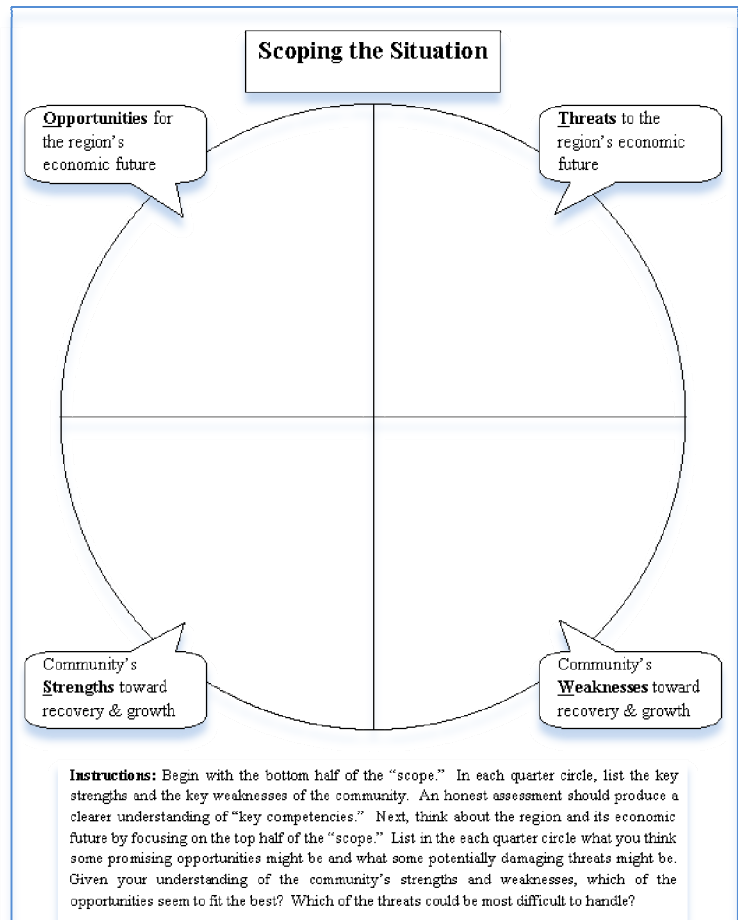
The Community Response Team could benefit from thinking through a SWOT analysis (strengths, weaknesses, opportunities, and threats). The “Scoping the Situation” diagram in a slightly different form has been successfully used by the Institute for Decision Making, University of Northern Iowa in assisting development groups in Iowa (a larger version follows this description).

With thought, the collected information will likely aid in identifying points for each quarter circle. In addition, consider the following four steps and their related points.

1. Evaluate at least the following points as possible community (and Community Response Team’s) strengths in responding to the crisis.

- Network of relationships as a within and beyond the community that are positive, trusting, dependable and include relationships with existing businesses, relationships among local service providers, and relationships with state-level resources and others.
- A thought-out, written contingency plan for such an occurrence or event.
- Teamwork and action-focus of key volunteers with access to resources.
- Prior experience with a layoff or closure response.
- A current economic development marketing plan.
- Experience and resources to respond quickly to a business prospect.

Note any additional community strengths.



2. Evaluate at least the following points as possible community (and Community Response Team's) weaknesses in responding to the crisis.

- Absence (or poor levels) of key strengths mentioned above that diminish the community's capacity to respond effectively and efficiently.
- Within the community's organizations and the Community Response Team, confusion or misperceptions of roles and expectations of the various organizations and their leaders, both professional and volunteer, and of the Community Response Team itself.
- Absence of effective and timely early warning capabilities.
- Community or Team pessimism about the future of the community.

Note any additional community or Team weaknesses.

3. Identify potential opportunities for the community to develop or improve because of the layoff. Change from a problem-orientation to one of opportunity by asking moving-forward type questions, often framed as "How," "What," or "Who" questions such as the following.

- **How could** a local sale of the business take shape such as employee ownership or expansion of a current business in the community or beyond?
- If a building will become available, **who will** be handling the marketing?
- **How can** the building be effectively positioned and promoted as a business asset to currently existing businesses or to potential new businesses?
- **What are** the opportunities for added employment with any current businesses?
- **How can** the available-labor situation fit into the current marketing plan?
- **What do** we need to do to understand, position, and promote the available or soon-to-be-available labor force?
- **How can** we work together in new ways to maximize the impacts of our efforts and other resources?

4. Identify potential threats or challenges that may be an obstacle to the community's response to the layoffs. Evaluate at least the following as possible threats or challenges to executing an effective response.

- How forthcoming or not the business that is downsizing/closing is about its plans and its overall cooperativeness and sense of responsibility to the workers and community.
- Weakness in the local, regional or national economies presents significant challenges – identify the most relevant challenges.
- Pace of and direction of population trends, especially local decline in overall population and school enrollment.
- Desirability of the community as a place for living and working.
- Reputation of the community within the local area, the state, and beyond (if the latter relevant).
- Greater than normal potential for flooding or other similar natural disaster at the location of the business, affecting the desirability of the site.
- Availability, capacity, and willing applicability of various state resources to assist in the process.

Note any additional threats.

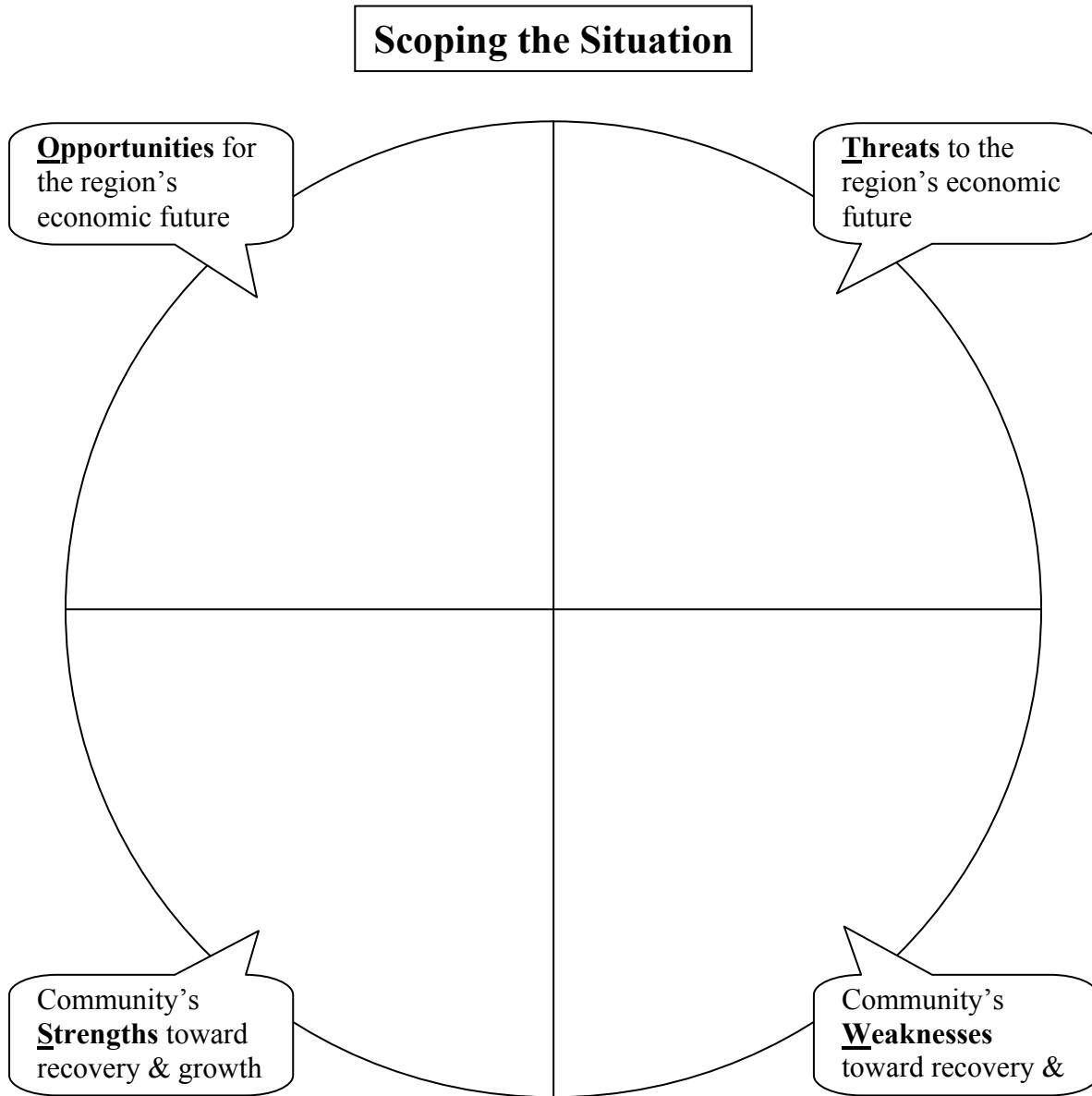
Developing medium-term and longer-term objectives

Follow all consensus-building advice in Chapter 4, “Planning for Immediate Action.” Recall that “consensus” does not mean unanimous agreement on every point, but that enough agreement and support exist to move forward together. Consensus is the practical result of a combination of a fair process, people contributing and feeling listened to, good use of time through effective group decision-making using the right tools with facilitation, and shared commitment to specific follow-up steps and actions.

When the analysis of strengths, weaknesses, opportunities, and threats (SWOT) is completed, consider additional short-, medium-, or long-term strategies by using such standard SWOT questions as:

- In what ways could you use the identified strengths to take advantage of the opportunities?
- In what ways could you use the identified strengths to mitigate or cancel out the identified threats?
- In what ways could you convert weaknesses to strengths or avoid them?
- In what ways could you overcome weaknesses to counteract threats?

A small group might be willing to analyze in detail, potential answers to the four questions above. These responses can aid in creating useful, action-focused goals and objectives.



Instructions: Begin with the bottom half of the “scope.” In each quarter circle, list the key strengths and the key weaknesses of the community. An honest assessment should produce a clearer understanding of “key competencies.” Next, think about the region and its economic future by focusing on the top half of the “scope.” List in the each quarter circle what you think some promising opportunities might be and what some potentially damaging threats might be. Given your understanding of the community’s strengths and weaknesses, which of the opportunities seem to fit the best? Which of the threats could be most difficult to handle?

Institute for Decision Making, University of Northern Iowa

Exhibit J: Action Planning Template

ISSUE/GOAL: _____

OBJECTIVE: *What is it that you wish to accomplish?*

Result: *To . . .* _____

And by when? (Completion Date)

Timeframe: *By . . .* _____

And by whom? (Organization/Committee/Task Group)

Responsible: _____

STRATEGIES

How should this objective be accomplished?

Detailed Specific Actions in Logical Order	Responsible Person(s)	Resources	Date for Completion
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			

Cases

Case 1: Maytag Corporation - Newton, IA

Plant closing, announced May 2006 and closed 7 months later 1,900 employees in Newton, IA; following the loss of 2,000 at Maytag in previous years

By June of 2005, it became known that Maytag was for sale. A purchase offer was made by a private equity firm, and in August 2005, Whirlpool made an offer. Whirlpool ultimately purchased Maytag in March of 2006 and announced the closing of the plant in May 2006. While there was doubt among local leaders that Whirlpool would maintain the Maytag manufacturing facility in Newton, there were those that thought the call center, engineering, and research and development facilities would remain in Newton. All of these functions were ultimately relocated and all that remains in Newton is a 45-person parts operation.

Maytag had a 113-year tradition of manufacturing in Newton, starting with threshing machine feeders, then automobiles, corn huskers and eventually washing machines. At its peak in the mid 1990s, Maytag Corporation employed over 3,500 people in Newton and over 29,000 worldwide. Maytag payroll pumped nearly \$100 million dollars annually into the regional economy.

During the fall of 2005, a core group of leaders gathered to work on retention strategies for keeping Maytag in Newton. This group included representatives from Alliant Energy, Black Hills Energy, the Iowa Department of Economic Development, the mayor, the Chamber director, director of the Newton Economic Development Corporation, Senator Harkin's office, Senator Grassley's office and Congressman Boswell's office. On May 10, 2006, the same day of the announced Maytag departure, the group was opened to others and it became known as the Newton Transformation Council (NTC).

The new mission of the NTC was to reposition Newton and use a collaborative approach to transform Newton. The NTC's charter called for the mayor and chair of the Newton Economic Development Corporation to co-chair the council. A project manager from Whirlpool was assigned to work full-time to manage the process. Although the NTC no longer meets, it has evolved into a regional group called Iowa Innovation Gateway, a seven county group that is working to implement the strategic plan.

Some key lessons learned during this plant closing include:

- Bring the company into the process early and engage them in planning
- Viewing the economy as a regional economy to help identify resources
- The displaced employees are an asset that can be marketed to new employers
- Be creative when coming up with ideas. Money follows good ideas!
- Rally the community – develop a process to provide hope and determine what the future of the community can be.
- Pull together a core leadership team that is willing to be creative
- Develop a vision for the community and region

Case 2: Tyson Deli - Independence, IA

Plant closing, March 2006 300 employees

The Director of Buchanan County Economic Development indicated that he had no warning that this closing was going to occur and even had a meeting scheduled that week to meet with the plant manager as part of his business retention and expansion program. A reporter from the newspaper called to ask for his reaction to the closing. Informal notification was received in January and the plant closed in March. The Tyson Oelwein plant was closed at the same time with a loss of 90 jobs. Some workers transferred to the Waterloo plant. Two new companies in Independence were hiring and two existing companies were expanding so most of the affected employees found jobs. Others went back to school.

Tyson had been in the community over 50 years, starting as locally owned Corn Blossom Foods. Decades later, a local family purchased the building and became a value-added meat producer. The building changed ownership several times from the 1980's through 2000. Tyson owned the building for approximately 4 years.

The IWD Rapid Response Team handled all questions and timelines in regards to gathering and providing information on benefits, insurance, education and a job fair. Local church groups hosted community suppers. A local response team was not formed as IWD handled everything.

Looking back, the Director says he wishes he could have been a part of the WARN procedure. He cites retraining as an issue that should be looked at in more depth and asks, "Why can't workers from a food industry cross train to another industry before the employment benefits run out?" He also notes that it is critical to stay in contact with local manufacturers and to develop relationships with them. A lasting effect of the closing is that the providers of water, sewer and electricity are suffering from lost revenue.

Case 3: Northern Engraving - Waukon, IA

Plant Closing, August 2008 207 employees

The Executive Director of Allamakee County Economic Development received informal notification early in the process and then received formal notification from IWD. They received several months of notification. Approximately 40 layoffs occurred over a two-year period with the remaining employees let go at the time of the plant closing.

Northern Engraving had been in Waukon for over 30 years. There were no ownership changes and the same family owned the company the entire time, with perhaps some changes within the family structure.

There was a community response team in place that visited the plant several times. Rapid Response meetings were held with the Employer's Management Team, and then meetings were called with the employees. Workforce Investment within Upper Explorerland Regional Commission, ACED, IWD, Northeast Iowa Community Action, Northeast Iowa Community College, city mayor, etc. were all involved. As of March 2009, the committee was still working with the employees to provide classes and workforce development assistance.

The goals of the community response team were to assist the employees find jobs, attend classes, continue with an education, learn a new trait/skill set, etc. IWD made contacts with other businesses to encourage them to hire the displaced workers. The economic development office contacted the businesses as well regarding available employees.

A grant was written for 65 people to seek services under the Workforce Investment Program. These people are participating in network clubs, job search assistance and/or educational opportunities. Computer workshops are being offered.

The Executive Director reports that the lasting effects of this plant closing include housing issues, increased use of the food pantry and increased use of other assistance programs such as fuel assistance.

Case 4: Donaldson Company – Oelwein, IA**Plant closing, May 1999
160 employees**

The Director of Economic Development, Oelwein Chamber and Area Development indicated that this layoff was triggered over the major cost associated with shutting down a critical machine, due to changing market conditions. A WARN notice was issued. The Director had a long-term relationship with the company and worked with IWD and IDED to try to resolve the machine issue.

Donaldson had been in the community for decades. The building was built in 1949 with additions in 1960, 1964, 1966 and 1974. At the time the plant closed, it was paying wages of around \$23-24 per hour. Their other plants paid lower wages, but also had lower productivity levels. The management team had been stable.

In addition to the services provided by the Rapid Response Team, Oelwein had a Community Response Team in place to deal with these types of issues. The Team included the city attorney, city administrator, school superintendent, a banker, a CPA, etc. The Team can be called together at a moment's notice, and has worked on incentive packages for companies. The Director indicated that IWD and the community college were very useful resources as were IDED and the Upper Explorerland Regional Planning Commission.

Some challenges faced by the economic development office included the community "buzz" regarding what was happening and that the economic development organization was not doing anything to solve the problem. Working with an out-of-state realtor to sell the building was also a challenge. The whole experience was very challenging, with trying to stop something that was probably inevitable and wondering when to say, "Enough is enough."

The Director stressed the importance of building strong relationships with local businesses. She recommends calling them and visiting as often as monthly. Work to help them resolve issues before they become large enough to cause a layoff or plant closing. She also recommends getting involved with marketing any buildings that are vacant because of a plant closing.

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Sally Falb, Director of Economic Development, Oelwein, IA, April 6, 2009

Aaron Sauerbrei. Regional Manager, Iowa Workforce Development, May 12, 2009

Kim Didier, Iowa Association of Business and Industry, and former Executive Director of Newton Development Corporation, September 11, 2009

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Economic Development Administration www.eda.gov/AboutEDA/Programs.xml

Hoover's Company Records www.Hoovers.com/

InfoUSA www.infousa.com

Institute for Decision Making, University of Northern Iowa www.bcs.uni.edu/idm/

International Economic Development Council www.iedconline.org/

Iowa Department of Economic Development, Business Development Division
www.iowalifechanging.com

Iowa Department of Natural Resources, Iowa Waste Exchange
www.iowadnr.gov/waste/iwe/index.html

Iowa Manufacturers Register www.mnystore.com/products.asp?STATE=IA

Iowa State University, Center for Industrial Research & Service www.ciras.iastate.edu/

Iowa Workforce Development www.iowaworkforce.org/

IWD Laborshed Studies www.iowaworkforce.org/LMI/labsur/index.html

Location One www.locationone.com

Manta www.manta.com

McCallum Sweeney Consulting www.mccallumsweeney.com/

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