

# Wisconsin Workforce Development Association and Consortium

## Evaluation of Skills Wisconsin: Final Report

### *Executive Summary*

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## EXECUTIVE SUMMARY

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*Skills Wisconsin* was funded in 2012 by the first round of the U.S. Department of Labor's (DOL's) Workforce Innovation Fund (WIF) program. Granted to a consortium of the state's 11 Workforce Development Boards (WDBs), it aims to improve communication among workforce development stakeholders throughout the state, particularly as it relates to labor market conditions. The project's premise is that to effectively serve jobseekers as well as employers in the communities where they operate, workforce development stakeholders must have a keen awareness of both employer needs and workforce skills.

The WIF requires each grantee to implement an independent evaluation of its grant program as a condition of the award. These evaluations are intended to generate new, stronger evidence on the effectiveness of innovative changes to the workforce system. The WDB of South Central Wisconsin, the lead WDB for *Skills Wisconsin*, contracted with IMPAQ International, LLC (IMPAQ) to conduct an independent evaluation of the consortium's program. This report presents the results of our evaluation, based on grant activities and evaluation data collected throughout the grant period. It builds on two earlier reports, one prepared at the end of the first year of the grant, and one roughly midway through the period. The first report documented baseline information on how the workforce system in Wisconsin operated prior to *Skills Wisconsin* implementation. The second report described interim evaluation results based on data available at the time.

### ES.1 Overview of *Skills Wisconsin*

**Program Design and Objectives.** The motivation for *Skills Wisconsin* was Consortium members' view that efficient coordination among workforce system stakeholders has been difficult, due to challenges both technical (e.g., lack of a centralized information system) and process related (e.g., lack of a coherent system and set of processes for working with a particular employer). The grant application further noted two wider challenges faced by the state's workforce system: (1) differences in workforce policy and goals among economic regions, which have been exacerbated by difficulties maintaining working relationships with many partners; and (2) a sense of competition among partners for business customers.

To meet these needs, the Consortium proposed undertaking three related efforts through *Skills Wisconsin*:

- **Implementing new technology**—A cloud-based customer relationship management (CRM) application, Salesforce, was to be implemented in each of the 11 WDAs. The Salesforce platform was expected to improve communication among workforce development and economic development (ED) stakeholders throughout the state by: (1) providing a single system for managing contact between the workforce system and employers, and (2) enabling different workforce system stakeholders to exchange information.

- ***Developing a new approach to business partnerships***—To complement adoption of Salesforce, another program focus was to reform the way WDB Business Service Units (BSUs) serve employers in their regions. This part of *Skills Wisconsin* focused on providing training on a demand-driven approach to workforce development.
- ***Enhancing industry partnerships and developing new training curricula***—Building on the stronger relationships with employers anticipated as a result of the first two program components, the program also included plans to enhance and expand industry partnerships in the state and to develop new training program curricula better aligned with employer needs.

The overall goal of *Skills Wisconsin* was to improve coordination among key workforce development stakeholders—including WDBs, staff at Wisconsin Job Centers, ED organizations, and WTCS. This was intended to make the system more responsive to business needs, and thus to better serve employers. By making the system better able to meet the needs of employers, the initiative was also intended to indirectly improve longer-term outcomes for jobseekers. Ultimately, the two components of *Skills Wisconsin*—increased awareness of employer needs and development of in-demand training programs—were expected to yield better matches between jobseekers and available job opportunities.

***Implementation Context.*** *Skills Wisconsin* was implemented over a 4½ year period from July 2012 through December 2016. During that time, economic and other conditions both in Wisconsin and in the U.S. evolved in ways that would impact implementation of the program. Many of the changes that occurred during this time were impossible to anticipate. To put the implementation of *Skills Wisconsin* into some perspective, it is important to note two important contextual developments that occurred during the grant period: (1) the unemployment rate declined, and (2) the Workforce Innovation and Opportunity Act (WIOA) was enacted. The overall effect of these two developments specifically on *Skills Wisconsin* is not clear, but each certainly changed the workforce system and the labor market more generally during the period of the grant.

## **ES.2 Evaluation Design**

Our evaluation of *Skills Wisconsin* consists of three components:

- A ***process study***
- An ***impact evaluation***
- An ***outcomes analysis.***

The qualitative process study focuses on how implementation of Salesforce affected workforce development stakeholders—including WDBs, state agency workforce program partners, ED agencies, training partners, and employers. The quantitative impact evaluation focuses on the effects of Salesforce implementation on jobseekers. The outcomes analysis documents quantitative outcomes related to *Skills Wisconsin* implementation.

### ES.3 *Skills Wisconsin* Implementation

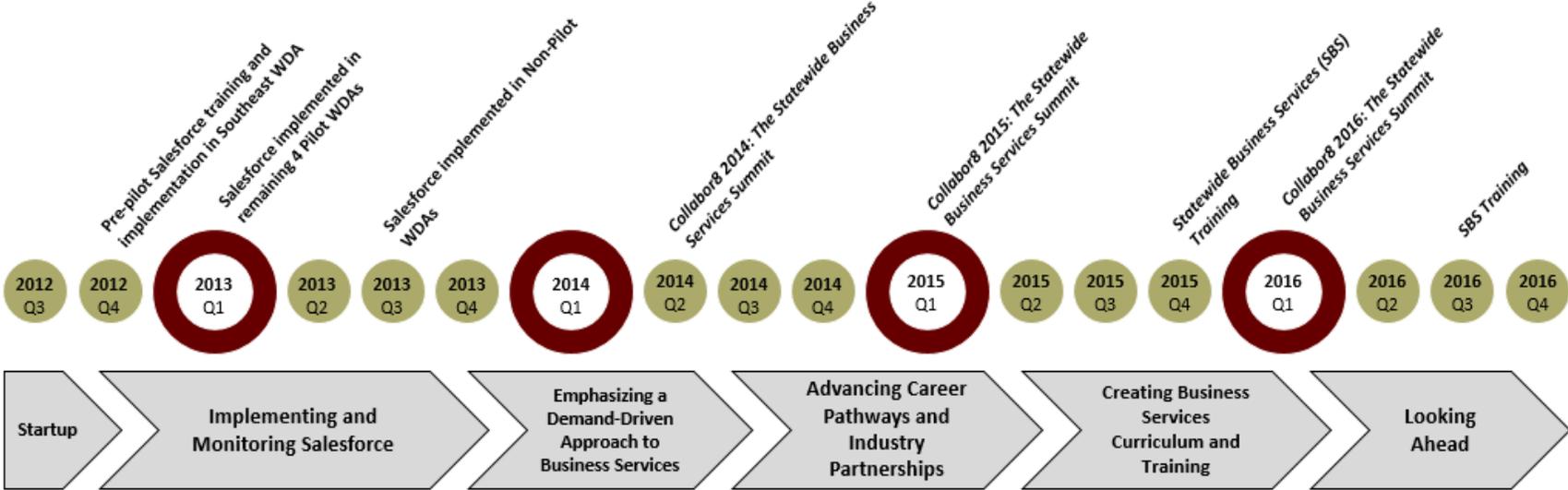
*Skills Wisconsin* was conceived as a program to enhance coordination among workforce system stakeholders, so the system could better serve employers (and help jobseekers through that mechanism). Following a start-up period during which administrative tasks were completed, the primary focus of *Skills Wisconsin* was to implement and support the Salesforce platform. The purpose of this tool was to allow business services representatives throughout the state to have a shared understanding of interactions between individual employers and the workforce system. The rollout of Salesforce was done in two phases (the first phase being a pilot) to facilitate the required impact evaluation. As WDBs gained access to Salesforce, the grant provided training and support to help users learn how to use the tool.

Beyond the adoption and use of Salesforce, *Skills Wisconsin* included activities intended to improve how the workforce system serves businesses:

- The program supported the development of training programs designed as part of career pathways. Twenty such new curricula were supported by the grant, including two funded exclusively by program funds.
- *Skills Wisconsin* supported work by the WDBs to enhance or create industry partnerships (IPs). Forty partnerships were created or enhanced through the grant.
- *Skills Wisconsin* funded the development and successful hosting of three statewide gatherings focused on business services. The three annual Collabor8 summits, each with 200 attendees, allowed workforce system staff from around the state to meet their peers from other areas, share their experiences serving businesses with one another, participate in sessions on topics related to business services, and listen to addresses by employers, national experts in workforce development, and other speakers.

Exhibit ES.1 presents a timeline of key *Skills Wisconsin* activities for the entire grant period.

**Exhibit ES.1: Timeline of Key Skills Wisconsin Activities**



***Salesforce Adoption and Use.*** Workforce staff used Salesforce to document and share information about their interactions with employers. They also made use of extensions to the platform, such as the Salesforce mobile app and a tool that integrates Salesforce with Microsoft Outlook. Users reported that they would often use Salesforce to prepare for meetings or other interactions with employers. Over 250 staff who were not provided with paid licenses to use the full Salesforce platform made use of its Chatter feature. This allowed users to share information despite not being able to access detailed employer profile information.

Our review of quantitative data shows that the number of Salesforce user logins generally increased over the grant period. The number of Salesforce logins by quarter showed a positive trend over the grant period, with the single exception being Spring 2015 through the end of that year.

Data on the total number of Salesforce licenses and the amount of activity for each license show that the total number of licenses in use ranged from 140 to 179. On average, roughly 43 percent of total licenses in a given week were considered Active, meaning that the user logged into Salesforce at least five times during a week. Fourteen percent of users were considered Semi-active, logging into the platform at least once but fewer than five times a week. The remaining 43 percent of users were considered Inactive, not logging in at all during a week. Over the grant period, 57 percent of licenses were in use (i.e., Active or Semi-active) on average in a week. This proportion ranged from as low as 32 percent to as high as 73 percent.

#### **ES.4 Process Study Results**

The goal of the process study was to understand how *Skills Wisconsin* was implemented, describe how the workforce system operates after implementation of the grant, and identify program successes and lessons learned. IMPAQ's approach to the process study included two components: (1) a Social Network Analysis (SNA) that documented communication patterns among stakeholders before and after *Skills Wisconsin*, and (2) an analysis of qualitative data gathered through site visits, telephone interviews, and direct observations of grant-supported activities.

***Social Network Analysis.*** The SNA indicates that after *Skills Wisconsin* implementation, communication across WDAs made up a larger proportion of communication within the statewide network, suggesting that communication may have become more widespread within individual areas. Comparisons to communication before implementation of the grant also suggest that WDB Directors, Business Services Representatives, and representatives from the Department of Workforce Development's (DWD) Division of Vocational Rehabilitation (DVR) communicated with more partners. Additionally, questionnaire respondents reported little use of Salesforce to communicate with partners, providing evidence that email, phone calls and face-to-face contact continue to be the preferred methods of sharing information.

**Successes and Lessons Learned.** Based on our analysis of the information we collected through our interviews and program observations, we identified the following key findings:

- *Skills Wisconsin* enhanced communication among workforce professionals from different WDAs, particularly among Executive Directors and Statewide Business Services Group Representatives.
- In several WDAs, *Skills Wisconsin* improved coordination among business services partners and streamlined communication about and with businesses.
- Salesforce has not yet become the universal business services solution that may have been envisioned, though several WDAs have strongly incorporated its use.
- Built-in incentives and senior-level buy-in seemed to increase Salesforce use and participation in *Skills Wisconsin*.
- Efforts to increase the quality and relevance of the *Skills Wisconsin* platform by linking to extant data sources have shown promise, but face ongoing challenges.
- Training programs are generally designed to respond to industry need, but in markets with low unemployment rates, industry and jobseeker needs are not always aligned.
- Industry Partnerships have helped regions aggregate information about employer need and facilitate development of responsive training programs.
- *Skills Wisconsin* opened up channels of communication among partners, particularly DWD/DVR.
- The decentralized and fragmented nature of Economic Development Organizations statewide continues to create challenges to collaboration.
- *Skills Wisconsin* staff demonstrated flexibility, innovation, and adaptation while implementing the grant.

## ES.5 Impact Evaluation Results

The impact evaluation of *Skills Wisconsin* focuses on estimating the impact of implementing Salesforce in pilot WDAs on key labor market outcomes for jobseekers.<sup>1</sup>

Our empirical approach to the impact evaluation uses individual-level data on jobseekers who exited WIA Title I and Title III programs both *before* implementation of Salesforce in the pilot WDAs and *after* it. Further, we rely on the phased rollout of Salesforce to compare outcomes for jobseekers who received services in pilot WDAs to outcomes for jobseekers who received services in non-pilot WDAs. We focus on three key labor market outcomes—employment, job

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<sup>1</sup> We consider the pool of jobseekers potentially affected by *Skills Wisconsin* to be the group of all jobseekers receiving services from the state workforce system, though data limitations force us to estimate the impacts of the program on a subset of this group. We also note that the program did not target jobseekers directly. Rather, any impacts of the program on jobseekers would stem from improvements in information sharing and collaboration among workforce system stakeholders, or from improvements in how the workforce system serves businesses.

retention, and earnings. To estimate the impacts of Salesforce implementation in the pilot WDAs we use administrative data provided by DWD.

We use multivariate regression models to estimate the impact of the implementation of Salesforce in the pilot areas on the jobseeker outcomes of interest. Our baseline results show that Salesforce implementation in the pilot areas led to (1) a two percentage-point decrease in the likelihood of employment, (2) no change in the likelihood of retaining a job, and (3) a \$262 decrease in the cumulative earnings of jobseekers in the second and third calendar quarters after program exit.

To the extent that the groups of WIA Title I and Title III exiters changed differentially between pilot and non-pilot areas between 2012 and 2013, our baseline results confound the impacts of the program with the effects of such compositional changes. To control for the potential bias this may introduce, we re-estimated the regression models for all three outcomes of interest, incorporating a matching technique that controls for observable differences among jobseeker cohorts.<sup>2</sup> Exhibit ES.2 summarizes our results.

**Exhibit ES.2: Estimated Impacts of Salesforce Implementation in Pilot WDAs on Jobseeker Outcomes, Weighted Regressions**

	Employment	Retention	Earnings
Impact	0.03*** (0.01)	0.00 (0.01)	263 (192)
R-squared	0.08	0.00	0.00
Number of observations	100,668	67,705	100,668

Source: DWD administrative data.

Notes: \* indicates statistical significance at the 10 percent level; \*\* indicates significance at the 5 percent level; \*\*\* indicates significance at the 1 percent level.

When we control for observable differences among cohorts of jobseekers, we find that implementation in pilot areas led to a three percentage-point increase in the likelihood of employment for WIA Title I and Title III exiters, but had no effect on either of the other two outcomes considered.

**Considerations.** We note several important considerations to bear in mind when interpreting the results of our impact analysis. These include:

- The figures represent the estimated impacts of only an isolated component of *Skills Wisconsin*—the early implementation of Salesforce among a group of WDAs. They do not represent the impacts of the overall grant program.

<sup>2</sup> Our approach relies on data for four cohorts of jobseekers, defined by (1) whether the jobseeker received services in a pilot or non-pilot area, and (2) whether the jobseeker received services in 2012 or 2013.

- Our empirical approach captures only short-term impacts associated with the introduction of Salesforce in the pilot WDAs. The only program impacts our analysis can detect are those that manifest within one calendar quarter following the introduction of Salesforce. To the extent that it takes time for Salesforce to be used effectively or for it to facilitate more responsiveness to the demand side of the labor market, we might expect its impacts on jobseekers to take longer to develop.
- The individuals in our data are WIA Title I and Title III program exiters. Our results may not generalize to the larger population of jobseekers who receive services from the workforce system.
- To the degree that conditions between 2012 and 2013 changed differentially in pilot areas versus non-pilot areas in ways that affected jobseeker outcomes, our estimates will capture not only the impact of Salesforce implementation but also the effect of such changes.

Despite the potential limitations of our results, our best assessment is that the early adoption of Salesforce in pilot WDAs slightly increased the rate of employment among WIA Title I and Title III exiters and had no impacts on either of the other two jobseeker outcomes considered.

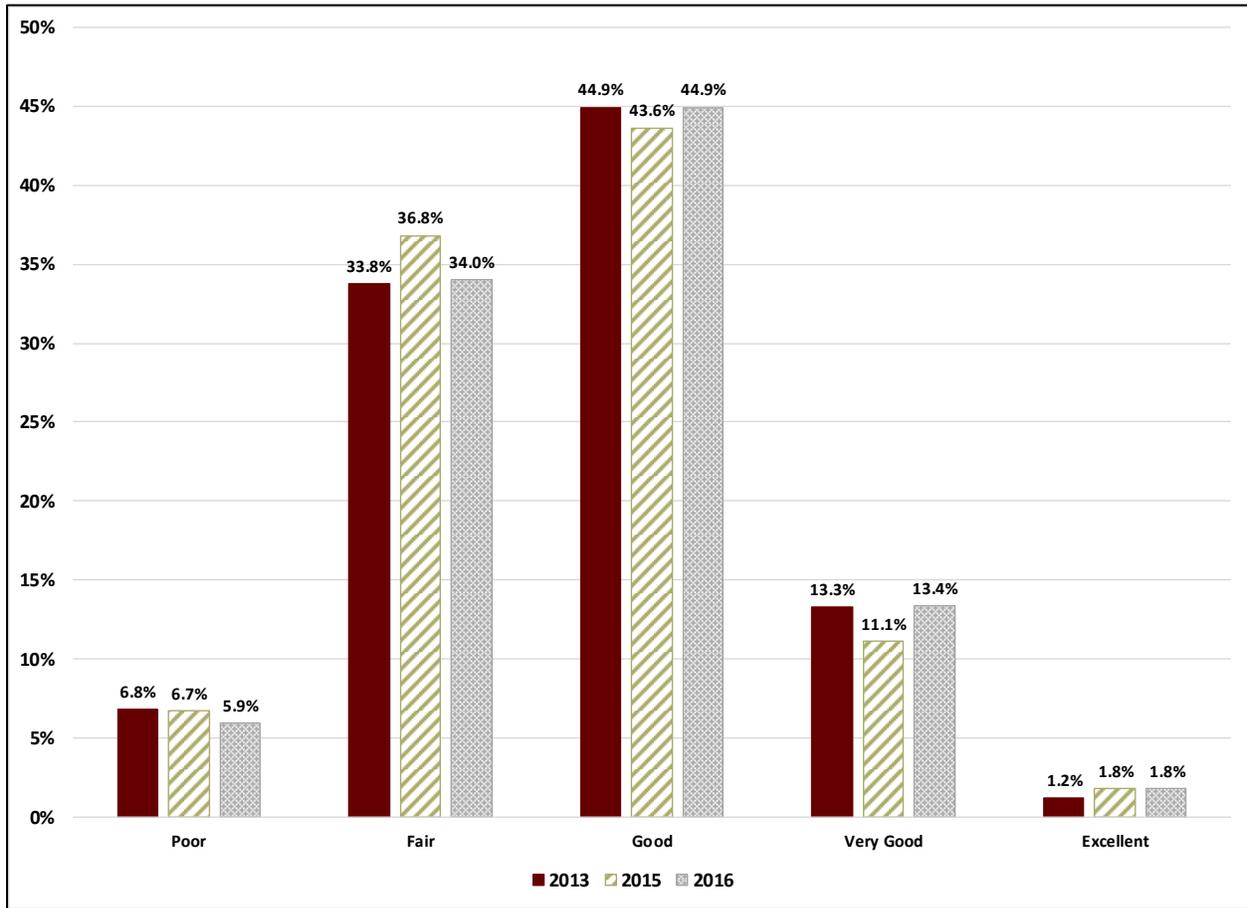
## ES.6 Outcomes Analysis Results

The goal of the outcomes analysis was to document and analyze how key quantitative outcome measures changed during the *Skills Wisconsin* grant period. Unlike the impact evaluation, our aim was not to attribute any changes as being the direct result of the grant. Instead, the focus was on understanding whether changes in these measures suggest that *Skills Wisconsin* had its intended effects.

***Employer Satisfaction with the Workforce System.*** Using the results of three waves of an employer survey, we find no evidence that employer opinions of the workforce system changed in a meaningful way. Our review of employer responses to questions about the ability of the workforce system to provide skilled workers, the quality of jobseekers referred by the workforce system, the time it takes to fill job openings, satisfaction with services received, and how well the workforce system serves businesses all show virtually no changes between 2013 and 2016. There are two minor exceptions. The first is that the survey data suggest that it took longer for employers to fill job openings when working with the workforce system in 2016 than in 2013. The second is that the proportion of employers that rated how well the workforce system serves businesses as Excellent increased slightly.

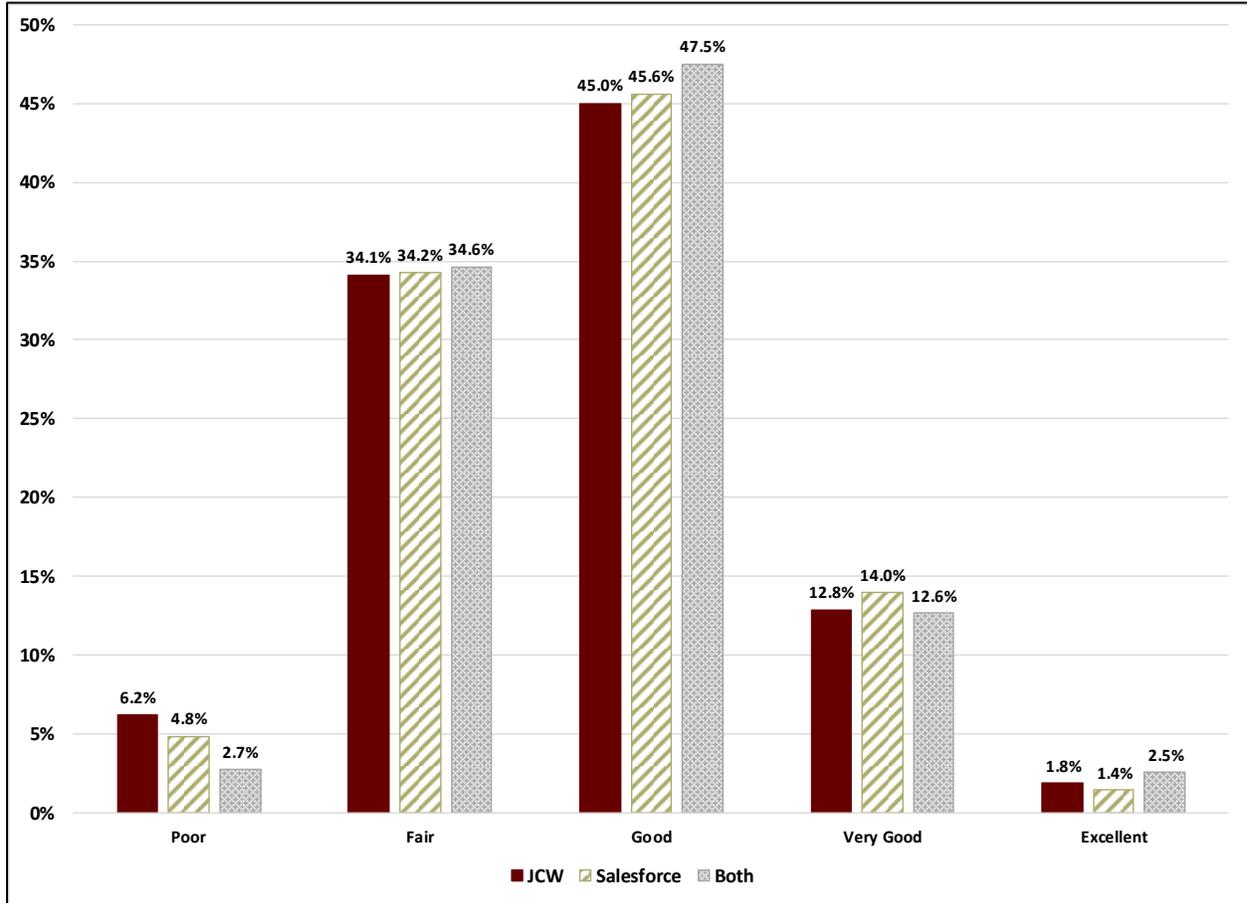
Exhibit ES.3 summarizes how employers in the three survey waves responded to a question that asked each employer to rate how well Wisconsin's workforce system serves businesses.

### ES.3: Employer Ratings of How Well the Workforce System Serves Businesses



Although we see no evidence of changing employer opinion among a broad universe of employers, data from the 2016 wave of the survey offer additional insight, suggesting that employers that had more direct contact with *Skills Wisconsin* had slightly more positive feelings about the workforce system. Employers that both met the sampling criteria for earlier survey waves and had active profiles in the *Skills Wisconsin* Salesforce system had slightly more positive responses to a number of survey questions. They were more likely to be satisfied with the ability of the workforce system to provide skilled workers, reported faster times to fill job openings when working with the workforce system, were more satisfied with the services they received, and gave the workforce system higher ratings in terms of how well it serves businesses. Exhibit ES.4 summarizes responses to the same survey question as Exhibit ES.3, but for 2016 survey data from three different types of employers: (1) those that had posted job orders on the Job Center of Wisconsin (JCW) website but did not have a profile in the *Skills Wisconsin* Salesforce system, (2) those that posted on JCW and had a profile in Salesforce, and (3) those that had a profile in Salesforce but had not posted on JCW.

### ES.4: Employer Ratings of How Well the Workforce System Serves Businesses by Data Source, 2016 Wave



These results are consistent with *Skills Wisconsin* achieving its goals related to better serving businesses, though we note that they should not be interpreted causally. One potential explanation for the pattern is that employers that were generally positive about the workforce system were more likely to have their profiles entered into Salesforce. Nevertheless, the results are encouraging.

**Performance.** *Skills Wisconsin* greatly exceeded its performance target for all of the quantitative performance measures associated with the grant. Exhibit ES.5 summarizes the performance of *Skills Wisconsin* in terms of the nine performance measures tracked during the grant.

## ES.5: Summary of *Skills Wisconsin* Performance Outcomes

Measure	Goal	Total	Performance
Number of businesses served	5,500	87,069	1583%
Number of staff trained in the demand-driven model	110	200	182%
Number of employer profiles	5,500	44,151	803%
Number of new training curricula created	20	20	100%
Number of industry partnerships	40	40	100%
Number of jobseekers trained	220	823	374%
Number of jobseekers served	7,000	12,455	178%
Number of hires due to enhanced relationships	1,000	1,843	184%
Number of times Salesforce is accessed	66,000	265,159	402%

Source: *Skills Wisconsin* quarterly progress reports to DOL.

In nearly all cases, the performance target was exceeded many times over. Progress toward the performance goals was not immediate. The first year of the grant period (Q3 2012-Q2 2013) focused on grant start-up, the implementation of Salesforce in pilot areas, and planning for Salesforce implementation in pilot areas. During this time, there was little progress toward meeting the performance targets. However, the rate of progress accelerated in late 2013 (the start of Grant Year 2) and early 2014. Many of the performance targets for the life of the grant were met by the midpoint of the grant period.

**Cost.** Of the \$6 million awarded to support *Skills Wisconsin*, most expenditures were by the 11 WDBs, which accounted for 41 percent of total grant funding. This funding supported staff time spent implementing and using Salesforce, attending Salesforce training, participating in training on the demand-driven approach to workforce development, attending the Collabor8 summits, and other activities. Thirty-four percent of grant funds were spent on vendor subcontracts, including a contract for the Salesforce platform and related support, the evaluation contract with IMPAQ, and a small contract for the demand-driven training. The remaining funds were spent by partner organizations (such as the Wisconsin Economic Development Corporation (WEDC) and Wisconsin Technical College System) and on grant administration and management.

Our best estimate is that the costs associated with Salesforce accounted for roughly 30 percent of grant funding. This estimate includes subcontracts that were specifically dedicated to supporting Salesforce as well as a rough estimate that 25 percent of WDB expenditures supported the implementation and use of the platform, covering both the cost of licenses and staff time spent in Salesforce training and other related activities.

Using data on the number of businesses and jobseekers served by *Skills Wisconsin* along with data on grant expenditures, we calculated expenditures per business/jobseeker served. Because the grant was primarily focused on improving the way the workforce system serves businesses, the cost per business served is likely more meaningful than the cost per jobseeker served. The results show that the grant expended a total of \$69 per business served, of which \$21 was related

to the implementation of Salesforce. These figures indicate that *Skills Wisconsin* represents a low-cost program in terms of cost per outcome. The low cost associated with Salesforce suggests that adopting a CRM tool like Salesforce may be a cost-effective way for states to enhance existing workforce programs by improving the way their workforce systems serve businesses.

## ES.7 Discussion

*Skills Wisconsin* was originally conceived as a way to enhance coordination and communication among organizations that constitute the state workforce system. Recognizing that lack of such collaboration sometimes led to problems effectively serving employers, the leaders behind *Skills Wisconsin* sought to overcome those challenges through the use of new technology, focused training, and related efforts.

During the grant period, *Skills Wisconsin* was implemented largely as planned. Major grant activities included the successful launch of Salesforce along with subsequent support for its continued use, training delivered to workforce system staff on how to implement a demand-driven approach to business services, and periodic in-person conferences at which representatives from around the state could meet to share their experiences with one another and to discuss common challenges and potential solutions. *Skills Wisconsin* also supported efforts to increase industry partnerships around the state and fostered new, strong partnerships between the WDBs and some state-level agencies such as DWD/DVR.

The qualitative data gathered via in-person site visits to all 11 WDAs both before and after *Skills Wisconsin* was implemented indicate that in many WDAs, the program enhanced collaboration among workforce system stakeholders in the way they serve businesses. For example, one interviewee explained the success of Salesforce this way:

*"[The Skills Wisconsin Salesforce Platform] is the first time I ever saw that focused an effort for everybody to share [and] to make sure that we knew where one another had been and who we'd talk to and what we were doing. So if one of us had been to company X on Monday that's the first time I ever saw that someone might have a chance to know on Tuesday that you might not want to go back there and have the same conversation."*

Consistent with the objectives of the program, collaboration across WDAs was enhanced and more concerted efforts made among stakeholders to work with one another. Commenting on the increased awareness of the broader set of workforce programs fostered by *Skills Wisconsin*, another interviewee told us the following:

*"I think it's prompted or forced more collaboration. You know if you're going to share an account management system all of a sudden you have to be on the same page. There's protocols, there's dialogue, there's training, and it brings anybody whose entering data into that system together. So it kind of forces that collaboration at a very grassroots level."*

The Salesforce platform itself supported a more organized approach to business services, with many workforce system staff using it as an authoritative source of information on interactions with employers. In addition to these accomplishments, *Skills Wisconsin* fostered new partnerships, including in particular stronger relationships between the WDBs and DWD/DVR.

**Concluding Remarks.** Overall, *Skills Wisconsin* largely achieved its intended goals of enhancing collaboration and communication among stakeholders in Wisconsin's workforce system. The results were not uniform across the state, as some WDAs embraced the program more enthusiastically than others. In areas that took full advantage of the opportunity presented by *Skills Wisconsin*, the program produced positive results.

As the grant has neared its end, WDAs have been preparing for the future. However, it is not clear that all WDAs will continue using Salesforce after *Skills Wisconsin* has ended. Some WDAs have indicated that they fully intend to do so, and have made the use of Salesforce a requirement included in subcontracts with organizations that will provide WIOA services. Others remain noncommittal. Aside from the use of Salesforce, the annual Collabor8 summits established through *Skills Wisconsin* are expected to continue, with planning currently under way for Collabor8 2017.

The progress made through *Skills Wisconsin* provides a solid foundation for the state workforce system to continue to improve the way workforce system stakeholders collaborate with one another and how they serve Wisconsin businesses. If the WDAs that were less engaged during the grant period become more supportive of and engaged in the use of Salesforce, it has the potential to develop into a more universal business services coordination platform. Likewise, if additional state-level partner agencies, such as DWD's Employment and Training division and WEDC, are able to establish and support meaningful connections with the Salesforce platform established by the grant, the enhanced platform may provide even greater value to the workforce system overall. Beyond the direct benefits of Salesforce as a collaboration tool, it may also prove valuable in other ways. For instance, WIOA requires states to report on their performance with respect to employer engagement. There may be some potential for DWD to leverage the quantitative data captured in Salesforce for this purpose. Regardless, it is clear that despite the positive developments achieved through the WIF grant, additional support of Salesforce will only increase the usefulness and value of the platform to Wisconsin's workforce system. After the grant ends, those grant partners that have embraced *Skills Wisconsin* and that continue to use Salesforce for information sharing and collaboration may help strengthen support for the platform by sharing their success stories and demonstrating the platform's value to others.

All things considered, the *Skills Wisconsin* experience has shown that a program aimed at improving how the workforce system serves businesses through a combination of the introduction of a CRM platform, training, and other efforts can help improve the degree of coordination and collaboration among workforce system stakeholders. Other states looking for ways to achieve similar goals should consider implementing similar programs modeled after *Skills Wisconsin*.