

# Inland Empire Cluster Action Plan



**Presented at the Final Action Clinic for the  
Regional Clusters of Opportunity Grant**

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# **Inland Empire Cluster Action Plan**

## **I. Introduction**

This report describes how the Inland Empire team from Riverside and San Bernardino Counties collaborated to identify two industry clusters of opportunity in health care and logistics/green transportation. Employer needs and priorities for workforce and economic development strategies were identified through a series of meetings and by conducting a regional labor market survey. The clusters work accomplished prior to and during the Regional Cluster of Opportunity grant has resulted in sustainable systems changes. The Inland Empire team will continue to meet after the grant is completed and provide ongoing support to the clusters groups as they work to achieve the outcomes they've established as regional priorities.

## **II. How We Identified Our Regional Industry Clusters of Opportunity**

### **Background**

Recognizing the need to create jobs and foster regional economic growth, in late 2007 representatives from Riverside and San Bernardino County's Economic and Workforce Development Departments, California Community Colleges and the California Employment Development Department attended a training session based on the Industry Clusters of Opportunity User Guide developed from the California Regional Economies Project. Beginning in February 2008, these representatives met on a monthly basis to uncover clusters of opportunity in the Inland Empire.

After discussing regional issues and short-term and long-range goals, the group agreed to target two types of clusters vital to Riverside and San Bernardino Counties. The first was an emerging industry cluster, likely to play an important role in future regional economic prosperity, but initially providing few jobs. The second was an existing industry cluster that would currently offer jobs with good wages and growth potential.

The group then examined the employment and wage data from EDD's Labor Market Information Division at the four-digit NAICS level. We set minimum criteria for each industry cluster, weighing the evaluation criteria differently in studying the data for the two cluster types. Two industry clusters became apparent from the data analysis:

1. Renewable Energy industries (the emerging industry cluster); and
2. Recession Resistant industries comprised of healthcare, logistics and certain professional services businesses (the existing industry cluster).

During this time, the San Bernardino County Workforce Development Department and its partners from Riverside County and the Centers of Excellence were awarded a Regional Industry Clusters of Opportunity Grant to continue the Inland Empire's clusters of industry work.

### **Cluster Analysis under the Regional Clusters of Opportunity Grant**

At the first Regional Industry Clusters of Opportunity (RICO) Action Clinic on April 28, 2010, the team examined a Diagnostic Package prepared by Collaborative Economics for the region. During the Action Clinic, the Inland Empire team was asked to identify the area's top clusters of opportunity that include green industry segments. After analyzing the data, we agreed to focus

on two industry clusters for the RICO project. The first was a Healthcare Cluster (without emphasis on its green segment) because this cluster has been the most recession resistant of the industries chosen in our initial 2008-09 data analysis. Not only is healthcare population-driven, but a healthcare cluster will help the region to capitalize on the new medical school opening at the University of California, Riverside in 2012.

From further review of the Diagnostic Package, Trade and Logistics was also of interest to the team because of its high location quotient, good wages and consistent employment growth. After discussion, the team decided to focus on a Logistics/Green Transportation Cluster as our second cluster for the purposes of RICOG. We chose this combination for two reasons:

1. To continue to support Logistics as another recession resistant cluster in the region; and
2. To fulfill RICOG's required green component.

Through Green Transportation grant activities we contacted transportation employers to assess their needs and gather feedback on proposed partnerships and pilot projects related to the Alternative and Renewable Fuel and Vehicle Technology Program (AB 118).

### **III. How We Engaged Employers to Develop Cluster Action Plans**

#### **Overview**

We engaged employers through a regional labor market survey (described below) as well as through two groups of employer forums for the Healthcare and Logistics/Green Transportation Clusters. The lists of employers who participated in the forums are attached. (See Appendix A and Appendix B.)

The employer forums were facilitated by John Melville from Collaborative Economics. At the initial meetings held in October 2010, he asked participants for their thoughts on the major opportunities facing their industry, as well as the economic and workforce development strategies that this region needs to focus on to best facilitate cluster growth. At the second set of employer engagement meetings, participants were asked to provide more detail to the action strategies, such as identifying targeted outcomes, choosing priorities and making commitments to the plan.

#### **Healthcare Cluster Employer Engagement and Priority Setting**

The Healthcare employers discussed a wide range of issues and opportunities, including the vital need for more physicians in the area, the new training that will be required to focus on wellness and prevention programs, the emergence of health communities, the need to disseminate relevant information on health reform, the importance of mapping out health career pipelines and pathways, and the need for hospitals, clinics and medical offices to transition to electronic record keeping. A majority of the twenty-one participants represented hospitals. Other attendees included representatives from a large medical clinic, a specialty medical clinic, home health care agencies, and an ambulance company. Healthcare education professionals from community colleges, universities and ROP's also attended the forums. After extensive discussion at the second healthcare forum, participants narrowed down the extensive list of opportunities to three major priorities:

1. Region-wide healthcare career pipeline/pathways;

2. Health IT; and
3. Attracting and retaining physicians.

**Healthcare career pipeline/pathways.** Several participants at the employer forums shared that they were experienced in pipeline mapping. To leverage this expertise, the Inland Empire team met with the individuals interested in moving forward with the ambitious project of mapping the healthcare career pipeline/pathways for the two-county region. Presently the Centers of Excellence (COE) is gathering and synthesizing the vast amount of healthcare workforce data from the region to determine key trends and healthcare sector growth potential. In addition, the COE will examine healthcare occupation projections and conduct training and education skill gap assessments. Results from the COE healthcare intelligence report will be used in a concept paper to give a global vision of the Inland Empire's healthcare workforce pipeline story. The concept paper will be used for long-range planning through 2030. This concept paper will also be presented to potential funders. The pipeline subgroup plans to meet regularly and will continually ask for feedback from the employers, associations, WIB's and educators who attended the employer forums.

**Health IT literate workforce.** The goal is to develop strategies to address the need for a Health IT literate workforce in the Inland Empire. As a first step, participants from the employer forums suggested a need to gather a list of current HIT vendors, since the number of vendors is reported to be dwindling. Other information to be compiled is the recommended HIT software, who is presently training health IT workers and what curriculum is being used. The Healthcare clusters group will work with members of Southern California's Health Workforce Initiative to inform and assist community colleges in implementing Health IT curriculum in existing programs. Staff members from the WIB's will continue to work with the Southern California Hospital Association, Riverside County Medical Association, Physicians for Healthy Hospitals and other groups and employers to understand industry needs in HIT.

**Attracting and Retaining Physicians.** The current and projected physician shortage in the Inland Empire is a serious challenge (and opportunity) for the region. The employer group discussed a variety of ideas on how to recruit, train and retain physicians in the Inland Empire. Presently Loma Linda University Medical School is the only medical school in the Inland Empire. However a new medical school is due to open in 2012 at the University of California, Riverside. Developing and implementing strategies to keep the graduating physicians in the Inland Empire remains a top priority. The group recommended creating a regional marketing and branding campaign to attract physicians from other states to the region. Other suggestions included policy changes, such as advocating for higher reimbursement rates in the Inland Empire and improving articulation for classes and degrees obtained in other states. The group will put together other policy proposals such as forgiving physician student loans in exchange for practicing in the region.

A summary of the Healthcare action strategies, targeted outcomes, timelines and implementation commitments is attached as Appendix C.

### **Logistics/Green Transportation Cluster Employer Engagement and Priority Setting**

The Logistics/Green Transportation forum participants had a difficult time sharing any opportunities facing their businesses, choosing instead to focus on the myriad of industry problems and challenges such as regulatory mandates. However, the group discussion finally

shifted to concentrating on industry opportunities such as increased trade activity, new technology, consolidation of warehouses and new business attraction. The employers agreed that the major priorities for logistics and transportation centered on career awareness and job training strategies. Participants at the employer forums included three logistics firms, a transit agency, a bus sales company, a vehicle manufacturer, a trucking company and a medical transport business. Recruitment for the Logistics/Green Transportation forums was a challenge. Several firms such as Fresh and Easy Distribution Center, Caneda Transport, UPS, Millard Refrigeration and the Distribution Management Association were unable to attend the forums at the last minute.

**Career Awareness and Job Training Strategies.** To continue to gain input from businesses and not duplicate the efforts of other regional groups, all participants at the employer forums have been invited to attend San Bernardino County's Transportation Council meetings. The Council's goal is to identify the employment and training needs of the transportation and logistics industry. The Council was started in 2006 as a committee of San Bernardino County's WIB. The Transportation Council meets every third Thursday of the month at San Bernardino Valley College. The Council meeting will be a good forum for continued discussions on how to promote awareness of careers in the logistics industry. Also, one of the logistics companies who described its successful work share and internship model agreed to share best practices with group attendees.

**Strategies to Help Reduce Greenhouse Gas Emissions.** San Bernardino County is currently trialing ESRI's Route Optimization software with private sector partners to help achieve a reduction in carbon emissions. These trials keep track of past and present mileage, weighing the effectiveness of the software. A similar pilot program was conducted in San Francisco in 2010. The goal is to see whether route optimization will significantly reduce the amount of time trucks are on the road, thereby decreasing idle time and fuel consumption. San Bernardino County is also providing support to a manufacturer that is developing a particulate filter for vehicle retrofits.

### **AB 118 Strategies**

The San Bernardino Workforce Development Department (WDD) has established a training program for mechanics in how to convert vehicles to CNG. In a pilot project, three to six incumbent workers will complete the CNG conversion training course. Upon successful completion of the training, these mechanics will convert six medical transport vehicles from Premier Medical Transport's fleet. These vehicles will be ARB certified. The conversions will be done six at a time until Premier Medical Transport's entire fleet is converted to CNG.

San Bernardino County's WDD has also entered into a pilot project with Stater Bros. Markets for the lease of electric off-road vehicles for goods movement in its 2.1 million square foot distribution center. These vehicles are ARB certified.

Riverside and San Bernardino Counties will conduct an outreach campaign to regional independent trucking firms with information from the Air Quality Management District on incentives to make retrofits and for purchasing new alternative fuel vehicles. This campaign will be done by email blast and will also include an online survey to compile employer feedback.

A summary of the Logistics/Transportation action strategies, targeted outcomes, timelines and implementation commitments is attached as Appendix D.

## **Regional Labor Market Survey**

The second way that the Inland Empire team engaged employers was through an extensive labor market survey of the industries in the Renewable Energy and Recession Resistant Clusters. The survey of 3,358 local employers was conducted from September 2010 through November 2010. The major goal of the labor market survey was to validate our initial cluster analysis. Through the survey we collected real-time information on current and projected employment opportunities as well as preferred occupational skill levels and skill gaps. We also gained an understanding of key economic development and workforce-related challenges facing local employers. In addition, the survey helped to identify industry leaders willing to participate in future focus groups, resulting in the next level of partners committed to the clusters groups. The survey results are accessible through an interactive web site at [www.usworks.com/inlandempire](http://www.usworks.com/inlandempire) that includes a wealth of information for job seekers, career coaches, employers and workforce and economic development professionals.

An analytic report of the survey results, including policy recommendations, can also be found on the web site. In addition, the Centers of Excellence prepared two research reports that contain the survey results from participating health care and transportation/logistics employers.

### **IV. How We Are Leveraging Implementation Resources and Commitments**

As stated in the RICO grant proposal, the Inland Empire team committed its time and funding to develop the regional clusters project prior to being awarded the grant. As a demonstration of the regional commitment to the clusters process and sector strategies, the Workforce Investment Boards from Riverside and San Bernardino Counties invested \$250,000 to fund the labor market survey of employers in the two-county region.

As described above, the Healthcare Cluster is leveraging the expertise of several participants who are experienced in career pipeline/pathways work. By combining that knowledge with continued input from the WIB's, healthcare employers, universities and community colleges, we are moving forward to create a concept paper that will present a global vision of the Inland Empire's healthcare workforce pipeline story. This concept paper will be used to promote the pipeline approach and solutions to funders.

Most of the participants at the February employer forums made commitments to the cluster action plans. For example, in the logistics/green transportation group, two attendees offered a variety of training programs for logistics careers as well as funding for customized training for new hires. Another participant offered ESRI software to group attendees. The healthcare cluster participants committed to providing expertise in pipeline work, strategic planning, early seeding, recruitment and retention and curriculum development and implementation. The Inland Empire team will follow up with these individuals in moving forward with cluster strategies.

The Inland Empire team will continue to mine the wealth of information obtained from the regional labor market survey. For example, we plan to follow up with business leaders from the renewable energy sector who indicated an interest in participating in focus groups. We will also explore partnerships with existing renewable energy groups such as the Coachella Valley Economic Partnership's Renewable Energy Roundtable and the Inland Empire's Solar Energy Council. In sharing best practices with existing groups, we aim to leverage resources, avoid duplicating strategies and provide a vehicle for a strong voice in influencing regional policies.

To date, the Inland Empire team has not received any funding that was connected to our participation in RICO.

## **V. How We Are Achieving Sustainable Systems Change**

The Inland Empire Regional Clusters project has resulted in a variety of sustainable systems changes. First and foremost is that the cluster initiative enjoys broad-based support from the Workforce Investment Boards in Riverside and San Bernardino Counties. The regional focus creates a strong unified voice for public policy advocacy and gives our industry clusters a competitive edge, not only in Southern California, but also state-wide and in global markets.

The Inland Empire Clusters of Opportunity team will continue to meet after the RICO project is completed in June 2011, providing support to the clusters of industry groups as they work to achieve the outcomes they've established as regional priorities. The team recognizes that cluster mobilization is an ongoing process.

The Workforce Investment Boards and Economic Development Departments in Riverside and San Bernardino Counties have always made it a top priority to gather input from businesses through focus groups, forums, surveys and industry councils. The RICO process of employer engagement is also an excellent model to determine business needs. The Inland Empire team plans to employ some of the techniques used in facilitating the two sets of employer forums for healthcare and logistics/green transportation when it convenes future focus groups, such as for the renewable energy cluster.

Another sustainable change will be in the structure of the Transportation Council committee that was formed in 2006 as part of the San Bernardino County WIB. One of the outcomes of the logistics/green transportation employer forums was to open the Transportation Council to participation from Riverside County employers, educators and government staff, including those who attended the forums.

## Appendix A

### Healthcare Employer Focus Group Attendees 10/6/10 and 2/1/11 meetings

Arrowhead Regional Medical Center  
City of Colton  
Coachella Valley Economic Partnership  
Community Hospital of San Bernardino  
Colton-Redlands-Yucaipa ROP  
Desert Regional Medical Center  
Foremost Healthcare  
Good Faith Medical Transportation Co.  
Health Workforce Initiative (formerly Regional Health Occupations Resource Center)  
Hospital Association of Southern California  
Inland Coalition/Reach Out  
Mt. San Jacinto Community College  
Physicians for Healthy Hospitals  
Plott Healthcare  
Premier Medical Transport  
Riverside County Medical Association  
Riverside Medical Clinic  
St. Bernardine Medical Center  
The Atticus Group  
Totally Kids Specialty Healthcare  
Victor Valley Community Hospital

## **Appendix B**

### **Logistics/Transportation Employer Focus Group Attendees 10/6/10 and 2/1/11 meetings**

Apex Logistics  
A-Z Bus Sales Inc.  
Boshart Engineering  
California State University, San Bernardino  
City of Colton  
Dalton Trucking  
Lowell's Automotive Service  
Premier Medical Transport  
Pro Spot  
Schneider Logistics  
Sports Authority  
Sun Line Transit Agency  
Sunrise Ford

Action Strategies	Targeted Outcomes	Timeline	Implementation Commitments	
			Actual	Potential
<p><b>1. Develop Healthcare career pipeline/pathways that begin in high school (middle school) and continue through articulated programs.</b></p> <ul style="list-style-type: none"> <li>• Work with Inland Coalition to expand its focus, leverage its expertise in pipeline/pathways work, include team of experts</li> <li>• Compile workforce data and conduct training and education gap assessment for health care industries in the IE</li> <li>• Develop a concept paper for advancing pipeline initiative</li> <li>• Identify potential funding sources for pipeline strategies/ implementations</li> </ul>	<ul style="list-style-type: none"> <li>○ Meetings conducted regularly with IC and broader regional groups: including employers, hosp. assoc., WIB's, colleges, universities</li> <li>○ Gap analysis conducted, w/ synthesis of IE healthcare workforce data – COE to compile report (used in concept paper)</li> <li>○ Concept paper developed (with specific strategies, action steps, used for long term planning)</li> <li>○ List of sources, funders</li> </ul>	May 2011 – June 2012	WIB's; COE; HWI (Mary O'Connor); Inland Coalition (Diana Fox, Sheila Thornton); Hospital Association of So. Cal. (Christina Bivona-Tellez); Loma Linda Univ. School of Public Health (Dora Barilla); UC Riverside; Mt. San Jacinto Community College (Jerri Randrup)	Community colleges (i. d. relevant) ROP's  Employers: <ul style="list-style-type: none"> <li>• Community Hospital of San Bernardino</li> <li>• Desert Regional Medical Center</li> <li>• Riverside Medical Clinic</li> <li>• St. Bernardine Medical Center</li> <li>• The Atticus Group</li> <li>• Others</li> </ul> CWIB Health Workforce Development Council
		May – June 2011		
		by September 2011		
		by September 2011		

<p><b>2. Develop strategies to address the need for HIT literate workforce on the regional level.</b></p> <ul style="list-style-type: none"> <li>• Work with HWI to inform/assist colleges in implementation of HIT curriculum in their existing programs</li> <li>• Work with So. Cal. Hospital Assoc., medical groups and employers to understand the needs of the industry in HIT and ways the counties can help (thru facilitating, convening, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>○ HWI conducts informational session on HIT curriculum (sharing best practices from other regions, etc.) and possibly work with colleges on implementation</li> <li>○ Needs are identified and addressed as possible</li> </ul>	<p>May 2011 – June 2012</p>	<p>WIB's; COE; HWI; So Cal Hospital Association; Riverside County Medical Assoc.; Employers</p>	<p>Colleges; ROPs</p>
<p><b>3. Develop strategies to recruit and retain physicians in the IE region.</b></p> <ul style="list-style-type: none"> <li>• Build an incentive plan to bring to local EDAs for policy development</li> <li>• Convene industry and EDAs to develop a consolidated branding/marketing strategy to attract physicians (including new graduates) to the region</li> </ul>	<ul style="list-style-type: none"> <li>○ Develop EDA policy</li> <li>○ Marketing plan and campaign schedule</li> </ul>	<p>May 2011 – June 2012</p>	<p>EDA – Riverside; EDA – San Bernardino; Loma Linda Medical School; UCR Medical School; So Cal Hospital Association; Riverside County Medical Assoc.; Physicians for Healthy Hospitals (Jerri)</p>	<p>Western University</p>

Action Strategies	Targeted Outcomes	Timeline	Implementation Commitments	
			Actual	Potential
<p><b>1. Develop strategies and action plans to promote careers in logistics and ensure trained workforce.</b></p> <ul style="list-style-type: none"> <li>Expand existing S.B. County Transportation Council to include Riverside County employers (this council will lead the efforts)</li> <li>Share best practices for internships/work share model. (Schneider Logistics the lead)</li> </ul>	<ul style="list-style-type: none"> <li>Expanded focus of Transportation Council that meets on 3<sup>rd</sup> Thurs. each month</li> <li>Presentation of best practices.</li> </ul>	May 2011 – June 2012	WIB’s COE Schneider Logistics Apex Logistics Dalton Trucking	Distribution Mgmt. Association
		<p><b>2. Develop strategies to help reduce greenhouse gas emissions</b></p> <ul style="list-style-type: none"> <li>Test ESRI’s Route Optimization software to decrease idle time and fuel consumption</li> <li>Support company manufacturing particulate filters for vehicle retrofits</li> </ul>		

<p><b>3. AB 118 Strategies</b></p> <ul style="list-style-type: none"> <li>• Train mechanics in how to convert medical transport vehicles to CNG</li> <li>• Trained mechanics (see above) convert 6 to 8 medical transport vehicles to CNG (vehicles are ARB certified)</li> <li>• Develop pilot project with Stater Bros. Markets for lease of electric off-road vehicles for goods movement (ARB certified)</li> <li>• Conduct outreach to IE independent trucking firms with AQMD info on incentives for retrofits and purchasing of new alternative fuel vehicles</li> </ul>	<ul style="list-style-type: none"> <li>○ Three to six incumbent workers successfully complete CNG installation training course</li> <li>○ Six to eight vehicles converted to CNG (Conversions done six at a time until entire fleet is CNG)</li> <li>○ Lease electric vehicles for use at Stater Bros. Markets' 2.1 million sq. ft. Distribution Center in San Bernardino CA</li> <li>○ Increase independent trucking firms' awareness of AQMD voucher incentive programs for retrofits</li> </ul>	<p>June to December 2011</p> <p>January 2012 to March 2012</p> <p>July 2011 to June 2012</p> <p>July 2011 to June 2012</p>	<p>SB Co WIB Premier Medical Transport</p> <p>SB Co WIB Premier Medical Transport</p> <p>SB Co WIB Stater Bros. Markets</p> <p>SB Co WIB Riv Co WIB DMA J&amp;R Fleet Services S. Harrington</p>	<p>CA Trucking Assoc. Apex Logistics</p>
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