Workforce Development Market Research Framework
Source: Talent Growth Initiative
Framework Introduction

Purpose: To provide workforce development practitioners with a market research framework that speeds up research planning and execution

Intended Audience: Practitioners conducting market research for a workforce development non-profit

Directions: Review the deck to see which market research areas outlined best fit the organization’s needs and reference the recommended metrics & example slide layouts for a given analysis.
Market Research Overview

Market Research in workforce development can typically include research into market sizing, landscape assessments, stakeholder research, and other logistical considerations such as funding availability and accessibility to public transit.

**Market Sizing and Trends**
- Target Demographic / Beneficiaries
- Target Schools
- Target Employers
  - Jobs
    - Current Employment
    - Job Postings
    - Wages

**Competitive Landscape**
- Current Players
- Pricing Research

**Stakeholder Research**
- Surveys
- Focus Groups

**Other Considerations**
- Funding
  - Foundations
  - Gov't Grants
  - Subsidies
- Public Policy Landscape
- Public Transit Accessibility

*Note: Not every pillar or sub point may be suited to every organization’s needs – practitioners pick and choose aspects most relevant to their work.*
# Market Sizing Metrics: Supply Side

Consider the metrics below when sizing up supply in the market for a workforce development non-profit

<table>
<thead>
<tr>
<th>Recommended Metrics/Data</th>
<th>Ex. Research Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of students who are eligible for the federal Reduced Price or Free Meal program (RPFM)</td>
<td>Do enough potential beneficiaries exist in the area?</td>
</tr>
<tr>
<td>Number of Opportunity Youth(^1) (county and state level)</td>
<td>Do enough potential beneficiaries exist in the area?</td>
</tr>
<tr>
<td>Number of people ages 16-24 below poverty line (<em>proxy for OY at zip code level</em>)</td>
<td>Do enough potential beneficiaries exist in the area?</td>
</tr>
<tr>
<td>Number of schools (public and private)</td>
<td>How many high schools are located in a target zip code?</td>
</tr>
<tr>
<td>Number of colleges</td>
<td>How many local colleges offer a 4 year degree that have a graduation rate below 60%?</td>
</tr>
</tbody>
</table>
# Market Sizing Metrics: Demand Side

Consider the metrics below when sizing up demand in the market for a workforce development non-profit

<table>
<thead>
<tr>
<th>Employers</th>
<th>Recommended Metrics/Data</th>
<th>Ex. Research Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of large companies (e.g. Fortune 500)</td>
<td>How many large companies are headquartered in the market?</td>
</tr>
<tr>
<td></td>
<td>Largest employers in a market</td>
<td>Who are the largest employers in the market?</td>
</tr>
<tr>
<td>Jobs</td>
<td>Number of workers in a given occupation – <em>historical</em>, <em>current</em>, or <em>projected</em></td>
<td>How many people work as help desk support technicians?</td>
</tr>
<tr>
<td></td>
<td>Number of job postings – <em>historical or current</em>, *filtered by experience, education,</td>
<td>What is the current demand for IT certifications by employers?</td>
</tr>
<tr>
<td></td>
<td>certifications, and other requirements.*</td>
<td>Where are the most job openings(^2) for database admins?</td>
</tr>
<tr>
<td></td>
<td>Average wages by occupation</td>
<td>What is the average yearly pay for help desk technicians?</td>
</tr>
</tbody>
</table>
Landscape Assessment on Peer Organizations

Landscape assessments can take multiple forms, but at a high level they should include an overview of the market, who major players are, and their implications for the workforce development programs.

**Workforce Development Market Description**
- Describe the labor and workforce development market context and potentially include a value chain that fits the flow of services in the market.
- Determine criteria to benchmark organizations.
- May contain market sizing analysis (e.g., if calculating market share).

**Major Players in Market**
- Research peer organizations in market, segmenting as needed by offering, market share, pricing, etc.
- Map connections to peer organizations.
- Spotlight organizations to highlight key facts, their processes, strengths and shortcomings.

**Implications**
- Make strategic recommendations for program design based on landscape assessment.

This information will likely first be gathered through online research, then through stakeholder interviews.
Landscape Assessment: Pricing Research

When researching the market for pricing information, we recommend the following research questions as a starting point to your analysis:

- What revenue models are competitors and peer organizations using?
  - What percentage of the organization’s revenue earned vs. contributed income?
- What are the peer organizations’ product and service offering mixes?
- How do customers traditionally pay for similar services?
- Which pricing model best fits the market and best aligns with the organization’s goals?
  - Cost-plus
  - Willingness to Pay
  - Competition-based Pricing
# Stakeholder Research

Surveys and focus groups can be a great way to understand stakeholders in the value chain (e.g. beneficiaries, employers, etc.). See below for recommendations and best practices.

## Surveys

- Determine research questions before survey questions\(^1\)
- Keep the survey as short as possible; each survey question should have a specific, defined purpose
- Avoid leading questions\(^1\)
- Answer options for survey questions should be MECE\(^1\)
- Understand how sample size affects the survey analysis ([link](#))
- Test your survey before distributing\(^1\)

## Focus Groups

- Each session should have a facilitator and a note taker\(^2\)
- Avoid leading questions\(^3\)
- Run multiple sessions, as results will likely vary from session to session\(^2\)
- Encourage all participants to speak
- **Logistical recommendations**\(^2\)
  - **Participants:** 8 to 10
  - **Duration:** 45 to 90 minutes
  - **Questions:** 5 to 10
Funding

Some non-profits may need to consider the philanthropic and government grant landscape of a market as part of their decision making process. Below are potential research questions and recommended sources to be leveraged as a starting point for your analysis.

Research Questions

- Is the local philanthropic landscape supportive of workforce development non-profits?
- How many foundations give to similarly missioned non-profits in the area?
- Do local government funding streams exist that are compatible with the client?
Public Policy

Understanding the local public policy landscape can bring opportunities and potential challenges to light for workforce development clients as they seek to expand or enter into a new market.

Research Questions

- What are elected officials doing about workforce and economic development?
- How well is a market funded for workforce development? Where are the workforce development funds coming from?
- Does the state and/or local government provide incentives for employers to engage with the client’s target beneficiary? Are there restrictions? (e.g. age, industry, etc.)
- What are the local minimum wage policies? Do they vary within the target market?
Public Transit Accessibility

Some target beneficiaries such as Opportunity Youth are more likely to rely on public transit to travel to work. As a client considers a new market or makes tactical plans at a local level, understanding the local public transit system will be crucial.

Research Questions

- How does a target market’s public transit system compare to existing markets? (Macro-level)
- Which area within the market has the most access to jobs via public transit? (Market-level)
- How many beneficiaries can travel to business centers in 60 minutes or less via public transit? (Tactical-level)