



**Retrainee – Job Creation
Training Proposal for:
Alioto's Garage, Inc.**

Small Business \leq \$50,000

ET15-0123

Panel Meeting of: June 27, 2014

ETP Regional Office: San Francisco Bay Area

Analyst: T. Teles

CONTRACTOR

- Type of Industry: Services
- Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 80
 - Worldwide: 80
 - Number to be trained: 47
- Owner Yes No
- Out-of-State Competition: No OSC
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 15%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$49,456
- In-Kind Contribution: \$69,040

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, PL-Commercial Skills	44	8-60	0	\$1,034	\$27.09
				Weighted Avg: 47			
2	Retrainee Job Creation Initiative	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, PL-Commercial Skills	3	8-60	0	\$1,320	\$13.55
				Weighted Avg: 60			

- Reimbursement Rate: Job #'s 1 and 2: \$22 SB Non-Priority
- County(ies): San Francisco
- Occupations to be Trained: Administrative Staff, Estimator, Production/Parts Staff, Technicians, Manager, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$3.31 per hour

SUBCONTRACTORS

- Development Services: Synergy Management Consultants LLC in San Ramon provided development services for a fee of \$4,000.
- Administrative Services: Synergy Management Consultants LLC will also provide Administrative Services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Alioto's Garage, Inc. www.aliotosgarage.com (Alioto's) was established in 1939 and has three locations in San Francisco. Alioto's provides automotive repair services and sales of parts and accessories.

The automotive collision repair industry has been experiencing changes to processes and materials as new vehicles must meet Corporate Average Fuel Economy (CAFE) standards. CAFE standards require a much higher level of fuel economy for vehicles and vehicle weight is a significant factor. To meet these standards, manufacturers are reducing the weight of new vehicles by incorporating materials such as aluminum, ultra high strength steels, borons, and composites. These new materials and methods of vehicle construction require different methods of repair. Alternative fuel, hybrid technology, and electric vehicles also require different repair methods. These changes create the need to re-tool and retrain employees to handle the repairs and to provide accurate estimates, to properly assess damage, and respond to customer inquiries with up to date information. Industry specific training - Inter-Industry Conference on Auto Collision Repair (ICAR) and Automotive Service Excellence - is a requirement by insurance companies. Training in software systems and quality improvements are necessary at all three Alioto's locations to ensure consistency, timely reporting to insurance companies, and improve customer service.

In 2013, Alioto's opened its third location and needs to hire and train three employees to meet the new standards in vehicle repair and on the Company's processes and methods.

Training Plan

Training is planned to start in July 2014 and will be provided by in-house trainers and vendors which have not yet been identified. Training will be provided in the following:

Business Skills - Training will be for Administrative Staff, Estimator, Sales Staff and Manager occupations. This training is necessary for employees to understand the sales process and understand how their job function impacts the total customer experience. Managers will be trained in all topics, to be able to support the employees and customers.

Commercial Skills - Training will be for Technicians, Production and Parts Staff, and Estimators and will cover maintenance-service, new vehicle technologies, aluminum, electric and hybrid repair, and extended ICAR credentials. Also included will be training for certification for BMW, Toyota and other specific original equipment manufacturers (OEM). Sales Staff need this training to understand the changes in the manufacturing process in and be able to accurately estimate damage and create repair plans for the Technicians.

Computer Skills - All employees will receive this training. The training is necessary to accurately assess current conditions, set objectives, notice trends and communicate in a high-flow and often paperless environment. The collision industry has seen changes in how insurers and other partners exchange data. Computer Skills will enable the Company to use IT systems to track costs; plan production and service flow while communicating with customers, potential customers and employees. Training will provide skills to reduce waste, and maximize efficiency and productivity.

Continuous Improvement - Training will be provided to all occupations to improve quality, cycle time, and cost efficiency by implementing Lean Production and Quality Control Process systems. These processes identify service, production and flow issues as well as their root causes. This training will provide solutions to improve quality, reduce waste and defects across all areas of the Company. Alioto's expects to increase efficiency by 15% with continuous improvement training.

Productive Laboratory – Commercial Skills

The Panel adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum and with no more than 10 trainees per instructor. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

Alioto's estimates that 25 trainees will receive up to 24 hours of PL training. PL training will be for Technicians and Estimators with the newly-hired trainees receiving the most hours. PL training will utilize an experienced trainer that will specify the scope of work, explain the process and needed equipment, verify that the employee understands standards and specifications. The trainer will observe the employee perform the task, provide feedback, assist with re-work if necessary, and ensure that the task has been performed correctly to ensure that the employee understands the process and is proficient in the task.

PL trainees will be trained with a trainer-to-trainee ratio of 1:1 to 1:2 and hours will be capped at 24 hours per trainee.

Frontline Worker

Alioto's is requesting to include four Managers in this training proposal. These employees supervise and work with Production Staff and Technicians and spend more than 50% of their time performing frontline work duties. These trainees meet the Panel's definition of frontline workers and qualify for Special Employment Training (SET) funding.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 - 60

Trainees may receive any of the following:

BUSINESS SKILLS

Marketing
Sales Procedures and Strategies
Presentation Skills
Customer Relationship Building
Negotiation Skills
Customer Retention
Conflict Management
Customer Engagement
Employee Engagement

COMMERCIAL SKILLS

ICAR (Intra-Industry Conference on Automotive Collision Repair)
Welding Collision
Aluminum & Hybrid Collision
OEM (Original Equipment Manufacturer) specific training – VW, Toyota, Ford, GM, Lexus, Others
Aluminum Repair – equipment and process

COMPUTER SKILLS

Job Costing-Summit Software
Production Flow-Summit Software
Production Planning- ETA Times and Dates-Summit Software
Intra-Company Communication Via Summit internal software
All Data technical Software- navigation and use

CONTINUOUS IMPROVEMENT

Leadership development
Team Building
Root Cause Analysis
Conflict Resolution
Lean Production and Process
Kaizen Event Strategy, Implementation
Quality Systems and Quality control process
Effective Communication

PL Hours

0 – 24

COMMERCIAL SKILLS (PL)

Estimation quality, methods and process

Repair methods

Welding

Structural panel repair and replacement

Refinishing techniques

Color Matching

Bonding techniques

Plastic and composite repair

Structural measuring and repair process

Mechanical process and repair

Electronics process and repair

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery.