



**Retrainee – Job Creation
Training Proposal for:**

**Anderson Brothers Auto Wholesale, Inc. dba Anderson Bros
Body Shop**

Small Business \leq \$50,000

ET15-0138

Panel Meeting of: June 27, 2014

ETP Regional Office: Sacramento

Analyst: M. Mazzone

CONTRACTOR

- Type of Industry: Services

 - Number of Full-Time Employees
 - California: 19
 - Worldwide: 19
 - Number to be trained: 29

 - Out-of-State Competition: No OSC
 - Special Employment Training (SET): Yes No
 - High Unemployment Area (HUA): Yes No
 - Turnover Rate: 5%
 - Repeat Contractor: Yes No
- Priority Industry: Yes No
- Owner Yes No

FUNDING

- Requested Amount: \$36,762
- In-Kind Contribution: \$25,525

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 SET HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, PL- Commercial Skills	18	8-60	0	\$1,276	\$11.17
				Weighted Avg: 58			
2	Retrainee Job Creation Initiative	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, PL- Commercial Skills	11	8-60	0	\$1,254	\$12.99
				Weighted Avg: 57			

- Reimbursement Rate: Job #'s 1 & 2: \$22 SB Non-Priority
- County(ies): Sacramento and Yolo
- Occupations to be Trained: Administrative Staff, Estimator, Indirect Production/Parts Staff, Technician and Manager
- Union Representation: Yes
 No
- Health Benefits: Job #'s 1 & 2: \$2.60 per hour

SUBCONTRACTORS

- Development Services: Synergy Management Consultants, LLC of San Ramon is providing development services for no fee.
- Administrative Services: Synergy Management Consultants, LLC will also provide administrative services for a fee not to exceed 13% of funds earned.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1976 and located in West Sacramento, Anderson Brothers Auto Wholesale, Inc. dba Anderson Bros Body Shop (Anderson Brothers) (<http://andersonbrosbodyshop.com>) is a full service automotive repair center. The Company specializes in automotive mechanical and collision repair

services, including the sale of parts and accessories necessary to complete such repairs. Anderson Brothers' customer base includes residents of West Sacramento and the surrounding vicinity.

Need for Training

For Anderson Brothers to remain competitive they must maintain a highly skilled workforce. Inter-Industry Conference on Auto Collision Repair (I-CAR) is a non-profit training organization that focuses on the education, knowledge and solutions for the collision repair industry. I-CAR training is a primary focus of Anderson Brothers training plans as the business is confronted with increased competition and new industry products including aluminum and hybrid vehicles, which have created a high need for training. Hybrid vehicle I-CAR collision repair training is a high priority as there are special tools and equipment required to work on these vehicles and the high voltage batteries found in hybrid vehicle.

Another focus is ASE training, which is designed to develop each individual automotive technician. Technicians will receive training to become ASE certified in one, multiple or all 8 ASE categories. This certification gives the Technician increased employability with potential to earn a higher wage. ASE certifications are not mandatory to work as a mechanic or as a technician. In addition, sales and customer service will be an emphasis of training to provide a higher level of customer service.

Job Creation

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Anderson Brothers plans to open a new location in Carmichael in June 2014 and is estimating the hiring of 11 full-time employees as shown in Job Number 2. The need to expand is due to Anderson Brothers obtaining a new contract with Progressive Insurance this new business, the Company anticipates a need to expand beyond the existing facility in West Sacramento. based on a study by Anderson Brothers, it was determined that the Carmichael area has a demand for a collision repair center with I-CAR trained technicians. All staff members to be employed at the Carmichael location will fall under Job Creation. The training plans at the Carmichael location will include the same training as the West Sacramento location.

High Unemployment Area

The 18 trainees in Job Number 1 work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by 15%, under the Panel's standards. The determination of HUA status is based on unemployment data from the Labor Market Information Division of the Employment Development Department. The Anderson Brothers' location in Yolo County qualifies for HUA status under these standards.

These trainees qualify for the ETP Minimum Wage rather than the Statewide Average Hourly Wage. The Panel may modify the ETP Minimum Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages. Anderson Brothers is requesting the HUA wage modification.

Training Plan

Anderson Brothers will provide between 8 – 60 hours of Class/Lab training for Administrative Staff, Estimators, Indirect Production/Parts Staff, Technicians and Managers.

- **Business Skills** – Training will be offered to all staff in a Class/Lab training and it will be specific to job functions. Training will include topics such as marketing, sales procedures and strategies, communication skills, customer and employee engagement and customer retention. Once training has been completed Anderson Brothers will be able to broaden their reach to additional customers and will provide a higher level of customer service.
- **Commercial Skills** – Training will be offered to Technicians, Indirect Production/Parts Staff and Estimators. Training will focus on ICAR, aluminum and hybrid collision repair, diagnostic, painting, ASE Certifications, and structural welding. In addition, staff will be trained how to repair collision damage on different car brands, aluminum bodies and hybrid vehicles. Training will allow Anderson Brothers to compete for the insurance companies business by staying current on the latest technologies.
- **Computer Skills** – Training will be provided to all staff functions, and training will focus on Job Costing software, Production Flow software, Production Planning software, Time Management software and Intra-Company Communication software. Advancing Anderson Brothers Computer Skills will allow for a seamless transition to a paperless workplace and improve company communication. Work performed will be more accurate and time efficient.
- **Continuous Improvement** – Class/Lab training will be offered to all trainees excluding the Administrative Staff. Training will focus on Team Building, Root Cause Analysis, Lean Repair Process and Production, Kaisen, Quality Systems and Data Analysis. The goal of continuous improvement training is to improve quality, cycle time and cost efficiency, while reducing waste.

Productive Lab (PL)

The Panel recently 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. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring. Productive lab training hours will range from 0 – 12 per trainee.

Anderson Brothers collision repair services and estimations cannot be simulated in a class/lab setting due to a high degree of difficulty and variance between jobs. Job creation trainees lack the hands-on experience thus making PL training in Commercial Skills necessary. Occupations that will receive productive lab training include Technicians and Estimators. A subject matter expert will train staff on each specific procedure and process of a collision repair then allow the trainee to complete the repair procedure on their own with the trainer observing, coaching and mentoring the trainee. Technician trainees will use spot welders, MIG (metal inert gas) welders, frame rack and measuring system, paint spray guns, paint spray booth, and various hand tools. Training assignments will include: collision repair, painting, welding of structural parts, measuring frames, aluminum repair, plastic repair, glass replacement, unibody alignment, mechanical components, and advanced vehicle systems diagnosis and repair. During PL training production will decrease by an estimated 20 percent or more as a journey level Technician will be dedicated to the trainee(s) 100 percent of the time.

PL trainees will be trained with a trainer-to-trainee ratio of 1:3 and hours will be capped at 12 hours per trainee.

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
- Communication Skills
- Customer Relationship Building
- Leadership Skills
- Negotiation Skills
- Customer Retention
- Conflict Management
- Customer Engagement
- Employee Engagement

COMMERCIAL SKILLS

- ICAR, Welding Collision
- Aluminum & Hybrid Collision
- Repair, Diagnostic, Painting, Structural Welding and Replacement
- ASE Certifications

COMPUTER SKILLS

- Job Costing software (Audatex Shop Flow)
- Production Flow software (Audatex Shop Flow)
- Production Planning software (Audatex Shop Flow)
- Time Management software (Audatex Shop Flow)
- Intra-Company Communication software (Audatex Shop Flow)

CONTINUOUS IMPROVEMENT

- Team Building
- Root Cause Analysis
- Lean Repair Process and Production
- Kaisen Event Strategy
- Quality Systems
- Data Analysis

Safety Training will be limited to 10% of total training hours per-trainee

Productive Lab

0 – 12 Trainees may receive any of the following:

COMMERCIAL SKILLS

- Lean Repair Methods
- Welding, Aluminum Welding, MIG Brazing and Resistance Spot Welding Techniques
- Aluminum and Hybrid Collision Repair Techniques
- Advanced Vehicle System Repair
- Auto Estimating and Blueprinting

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