

DELEGATION ORDER



Training Proposal for:

AppDirect, Inc.

Agreement Number: ET15-0318

Approved Date: October 28, 2014

ETP Regional Office: San Francisco Bay Area

Analyst: L. Lai

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Services Technology/IT Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Francisco	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 120	U.S.: 150	Worldwide: 200
<u>Turnover Rate:</u>	6%		
<u>Managers/Supervisors:</u> (% of total trainees)	12%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$70,000		\$0	\$0		\$70,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$141,485
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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 Priority Rate	Business Skills, Computer Skills, Cont. Improv.	100	8-200	0	\$540	\$23.07
				Weighted Avg: 30			
2	Retrainee Priority Rate Job Creation Initiative	Business Skills, Computer Skills, Cont. Improv.	20	8-200	0	\$800	\$18.00
				Weighted Avg: 40			

Minimum Wage by County: San Francisco County: Job Number 1 - \$16.25; Job Number 2 (Job Creation) - \$13.55

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1 - Retrainee		
Corporate Support Staff		9
Sr. Corporate Support Staff		6
Engineering/Technology Staff		20
Sr. Engineering/Technology Staff		10
Sr. Engineering/Technology Staff		30
Marketing/Sales Staff		8
Sr. Marketing/Sales Staff		6
Manager/Director*		11
Job Number 2 – Job Creation		
Corporate Support Staff		5
Engineering/Technology Staff		5
Sr. Engineering/Technology Staff		5
Marketing/Sales Staff		2
Manager/Director*		3

*Directors are considered middle management, are not part of the executive team, and do not make company policies.

INTRODUCTION

Founded in 2009 and headquartered in San Francisco, AppDirect, Inc. (AppDirect) builds and maintain the clients' cloud-based application marketplaces, and management platforms that enable its customers to distribute and sell web-based services. AppDirect's platform connects businesses, brands, and developers through a global network of AppDirect-powered marketplaces, allowing businesses to find, buy, and manage cloud-based software and services. Customers include large technology vendors who are selling to a customer-facing marketplace via mobile and web based applications.

AppDirect recently announced strong growth across several key areas of the Company, expanded its global footprint, and completed an expansion of its San Francisco headquarters. Over the past 12 months, AppDirect has launched marketplaces with Samsung; the largest technology company in the world, and FICO; a world leader in financial analytics, among others. To date, AppDirect has secured partnerships with the largest telecommunications and broadband providers in the United States, Germany, Sweden, and Switzerland, as well as the worldwide leaders in several markets, including mobile, retail, open source software, and business SaaS (software as a service).

PROJECT DETAILS

Application software (application or "app") is computer software designed to help the user to perform specific tasks. Apps are quickly becoming the dominating force in the software industry, for both businesses and individuals. Any organization whose customers use the Internet and software applications to do business could greatly benefit from providing a cloud service marketplace to its customers.

With AppDirect's platform, service providers can launch an online application store within a matter of weeks, while developers can integrate once and make their software available across multiple marketplaces worldwide.

As an increasing number of employees use their own devices to access company resources, businesses have struggled to manage applications across their corporate environments. In response, businesses are considering a BYOD (bring your own device) strategy.

To address this growing trend, AppDirect recently launched its services and capabilities for mobile devices which will make features and functionalities available across every platform. Working through its network of partners, AppDirect is enabling businesses to easily access and manage cloud apps across the web and mobile devices. The platform will enable seamless interoperability across cloud and mobile technologies, so businesses and end users can get the benefits of both without needing to prioritize one over the other.

To remain competitive in the IT marketplace, AppDirect must continue to design and develop new technologies that will meet the increasing and changing needs of the industry. It will be critical for AppDirect to provide supplemental skills to its workforce to enable them to continue to grow at a pace necessary to keep up with customer demand. In addition, the workforce will need to acquire the skills necessary to develop, implement, sell, and service current and new products.

Retrainee - Job Creation

In support of job creation, the Panel is offering 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. Although subject to a lower post-retention wage of \$13.55, AppDirect will place Job Creation trainees starting at \$18.00 per hour.

AppDirect provides app distribution services to over 20 million businesses around the world, up from just 12 million a year and a half ago. The Company grew by 43 employees in 2012 and 115 in 2013. AppDirect has nearly doubled the size of its San Francisco-based headquarters, enabling the Company to rapidly scale its team to meet surging customer demand.

In this proposal, AppDirect has committed to hiring 20 new employees as shown in Job Number 2. To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

Training Plan

Business Skills (30%): This training will be offered to all occupations in areas such as feedback and accountability, effective meeting management, customer service/support, and new/updated product skills. This training will improve the ability of the workforce to provide exemplary customer service and better manage the overall business while implementing the new products and processes.

Computer Skills (40%): This training will be offered to all occupations in areas such as Salesforce.com Customer Relations Management, NetSuite Enterprise Resource Planning, Jira and Zendesk Project Management Tools, and Cloud Management Platform/Platform Architecture. Training will enable the Company to improve its efficiencies with these systems and enable the workforce to properly utilize and manage these systems and software.

Continuous Improvement (30%): This training will be offered to all occupations. The goal is to improve efficiencies and productivity throughout the organization. Training topics include leadership/delegation, quality assurance, performance management/process improvement, project management, and team building.

Commitment to Training

AppDirect's annual training budget is approximately \$50,000 and is used to provide training in anti-harassment, diversity, basic computer skills, new employee orientation, performance appraisal training, legal overview, culture, values, and ethics, and interviewing skills.

AppDirect represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

AppDirect has identified two individuals to oversee the training project and be responsible for managing the scheduling, delivery, and documentation of training. They will also be meeting with ETP staff and working with the third party administrator.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

AppDirect retained Training Funding Partner in Tustin to assist with development of this proposal for a flat fee of \$6,000.

ADMINISTRATIVE SERVICES

AppDirect also retained Training Funding Partner to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8 - 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Feedback and Accountability
- Effective Meeting Management
- Conflict Resolution/Collaboration
- Customer Service/Support Skills
- Finance/Accounting Skills
- New/Updated Product Skills
- Sales/Marketing Skills and Methodologies

COMPUTER SKILLS

- Salesforce.com Customer Relations Management System
- ADP – HRIS (Human Resource Information System)
- NetSuite Enterprise Resource Planning System
- GitHub Source Code Management Tool
- Jira and Zendesk Project Management Tools
- Cloud Management Platform/Platform Architecture

CONTINUOUS IMPROVEMENT

- Leadership/Delegation
- Change Management
- Quality Assurance
- Motivation/Recognition
- Performance Management/Process Improvement
- Project Management
- Team Building

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.