



**Retrainee – Job Creation
Training Proposal for:
Autoland, Inc.**

Small Business \leq \$50,000

ET15-0165

Panel Meeting of: June 27, 2014

ETP Regional Office: North Hollywood **Analyst:** M. Reeves

CONTRACTOR

- Type of Industry: Services

- Number of Full-Time Employees
 - California: 67
 - Worldwide: 72
 - Number to be trained: 39

- Priority Industry: Yes No

- Owner Yes No

- Out-of-State Competition: No OSC
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 17%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$49,896
- In-Kind Contribution: \$58,454

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 SB <100 SET Job Creation Initiative	Business Skills, Computer Skills, Continuous Imp.	17	8-100	0	\$2,112	\$17.31
				Weighted Avg: 96			
2	Retrainee SB <100 SET	Business Skills, Computer Skills, Continuous Imp.	17	8-60	0	\$616	\$27.09
				Weighted Avg: 28			
3	Retrainee SB <100 SET HUA	Business Skills, Computer Skills, Continuous Imp.	5	8-60	0	\$704	\$14.90
				Weighted Avg: 32			

- Reimbursement Rate: Job #'s 1-3: \$22 SB Non-Priority
- County(ies): Alameda, Fresno, Los Angeles, Merced, Orange, Sacramento, San Diego, San Luis Obispo, Santa Clara, Ventura
- Occupations to be Trained: Sales Consultant, Information Technology Staff, Support Staff
- Union Representation: Yes
 No
- Health Benefits: Job #'s 2 & 3: \$3.00 per hour

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

OVERVIEW

Autoland, Inc. (Autoland) is a car buying service for members of credit unions, as well as affinity groups such as the National Motor Club of America. The Company was founded in 1971 to provide a convenient, hassle-free car buying experience. In short time, Autoland attracted credit union business and opened its first credit union office in 1990. Within three years, the Company went from five offices to 50. Autoland offices are co-located in established credit union facilities.

Credit unions rent space to Autoland to accommodate sales consultants assigned to assist members with the car buying process. Autoland is headquartered in Chatsworth and currently has 52 locations in California.

Autoland's large auto dealer network has access to extensive inventory and has the buying power to find virtually any make and model within the customer's target price range. The Company also negotiates pricing and secures manufacturer incentives. Autoland can also help clients find affordable financing through Credit Union Direct Lending (CUDL), a point-of-sale and indirect auto lending network of credit unions that matches lenders with consumers based on their credit application.

Autoland is not in the loan underwriting business. All Autoland facilitated loans are underwritten and funded by credit unions. When Autoland arranges financing through CUDL, the Company earns a fee. This fee is a percentage of the loan amount and varies by credit union and client credit score. Typically 1%, but in some cases may be up to 2%. When credit union members secure financing directly on their own, no fee is paid to Autoland.

Autoland is eligible for ETP funding under Special Employment Training (SET) for frontline workers. This will be the fourth project between Autoland and ETP; however, it is the first project within the last five years.

Retrainee - Job Creation

Autoland is looking to expand its operations to new locations and credit unions. This planned expansion will require the retraining of existing employees, combined with the hiring and training of new employees to increase sales and sustain desired service levels. Therefore, Autoland has committed to hiring 17 new Sales Consultants (Job Number 1) to support the Company's plans to increase its business capacity.

As an incentive for companies that commit to hiring, training for newly hired employees will be reimbursed at a higher rate, and trainees may be subject to lower post-retention wages. Trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

Autoland's member base has specifically requested improved web tools for executing vehicle searches and purchases, higher levels of data security for personal information and transactions, easier access to funding, and a wider scope of information pertaining to car buying options. In response to customer demands for these improvements, Autoland must expand the product knowledge of its employees and equip them with the skills to achieve optimal use of new industry technology.

Autoland has determined that many of its frontline workers require training to improve the Company's ability to adapt to changing market conditions and customer needs. The Company believes that it has outlined the necessary blend of Continuous Improvement, Business and Computer Skills training to facilitate business growth and develop a workforce of industry leading professionals. The proposed training will take place at multiple company locations and will primarily be delivered by experienced in-house staff, such as lead sales personnel and top managers.

Training Plan

Business Skills - Training will be offered to Sales Consultants. Trainees will learn new business relationship and sales strategies, product details, marketing techniques, and business reporting procedures.

Computer Skills - Training will be offered to all occupations. This training will help staff become proficient in the use of various new and/or upgraded software programs. Training will include organizational management tools, in-house proprietary software, as well as dealer and credit union software applications. Information Technology staff will also receive training in database design and programming languages.

Continuous Improvement - Training will be offered to all occupations. This training will focus on company-specific process improvements, strategic planning, and quality concepts.

Cap on Training Hours

Autoland reports that the 17 Job Creation trainees (Sales Consultants) in Job Number 1 will go through a full two-week/80-hour initial training program delivered by experienced in-house subject matter experts. Further, these trainees must also receive an additional 16 hours of training throughout the year. Without this vital training, the Company believes these trainees would not be able to fully grasp important business concepts or function properly in their respective roles. Therefore, Autoland is requesting a modification of the 60-hour cap to 100 hours for trainees in Job Number 1 only.

SET/HUA ETP Minimum Wage

The five trainees in Job Number 3 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's facilities in the cities of Fresno, Los Angeles, and Merced qualify for HUA status under these standards. These trainees meet and qualify for the ETP Minimum Wage, rather than the Statewide Average Hourly Wage.

RECOMMENDATION

Staff recommends approval of this proposal, including the Range of Hours modification for Job Number 1.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 100 Job Number 1

8 – 60 Job Numbers 2 & 3

Trainees may receive any of the following:

BUSINESS SKILLS

- ✦ Development of Business Relationships – Credit Union (CU) Partners, Members, Dealer Network
- ✦ Selling Strategies and Techniques
- ✦ Product Training- Lojack, Vehicle Service Contract and Other Products
- ✦ Marketing Channels
- ✦ Monthly Reporting Requirements
- ✦ Practical Training (sales process, programs used, paperwork, etc.)

COMPUTER SKILLS

- ✦ Organizational Management System
- ✦ ADP Dealer Suite
- ✦ CU Direct Lending Software
- ✦ IT Network, Equipment and Set-Up
- ✦ In-House Proprietary Software - Autoland Information Management Exchange
- ✦ Programming Languages and Database Design

CONTINUOUS IMPROVEMENT

- ✦ CU Environment Updates
- ✦ Customer Relation Maintenance
- ✦ Deal, Paperwork and Delivery Quality
- ✦ Marketing Updates
- ✦ Product Updates
- ✦ Advanced Selling Strategies
- ✦ Industry Laws, Regulations and Compliance Updates (including information security)

Note: Reimbursement for retraining is capped at 100 total training hours per trainee for Job Number 1, and capped at 60 total training hours per trainee for Job Numbers 2 and 3, regardless of the method of delivery.