

DELEGATION ORDER



RETRAINEE - JOB CREATION

Training Proposal for:

Avanir Pharmaceuticals, Inc.

Agreement Number: ET15-0477

Approval Date: June 8, 2015

ETP Regional Office: San Diego

Analyst: K. Campion

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Manufacturing Biotechnology/Life Sciences Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Orange	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: 280	U.S.:2,339	Worldwide: 28,288
<u>Turnover Rate:</u>	3%		
<u>Managers/Supervisors:</u> (% of total trainees)	14%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$64,980		\$0	\$0		\$64,980

In-Kind Contribution:	100% of Total ETP Funding Required	\$160,679
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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, Commercial Skills, Computer Skills, Continuous Impr.	87	8-200	0-25	\$540	\$16.25
				Weighted Avg: 30			
2	Retrainee Priority Rate Job Creation Initiative	Business Skills, Commercial Skills, Computer Skills, Continuous Impr.	20	8-200	0-25	\$900	\$16.25
				Weighted Avg: 45			

Minimum Wage by County: Job Number 1: \$16.02 per hour for Orange County; Job Number 2 (Job Creation): \$13.35 per hour for Orange County

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		
Corporate Support Staff		32
Engineering/Production Staff		20
Research & Development Staff		15
Sales/Marketing Staff		10
Manager		10
JOB NUMBER 2		
Corporate Support Staff		5
Engineering/Production Staff		3
Research & Development Staff		2
Sales/Marketing Staff		5
Manager		5

INTRODUCTION

Founded in 1988 and located in Aliso Viejo, Avanir Pharmaceuticals, Inc. (Avanir) is a subsidiary of Otsuka America, Inc. The Company is a biopharmaceutical manufacturer focused on acquiring, developing, and commercializing novel therapeutic products for the treatment of central nervous system disorders (www.avanir.com). The Company’s primary product is NUEDEXTA,

the only Federal Drug Administration approved treatment for pseudobulbar affect (PBA). PBA occurs secondary to a variety of otherwise unrelated neurological conditions and is characterized by involuntary, sudden, and frequent episodes of laughing and/or crying.

PROJECT DETAILS

Avanir is in the process of studying the clinical use of NEUDEXTA in other mood/behavior disorders and movement disorders, including the potential treatment of agitation in patients with Alzheimer's disease and symptoms related to Parkinson's disease. The Company is also in the process of researching and developing other new products in order to keep pace with the rapid growth and change in the pharmaceutical industry.

In addition to these challenges, Avanir has grown at a very rapid pace over the last 10 years, from 20 employees in California in 2004 to 280 at the end of 2014, creating more complexity within the Company's operations. The growth and expansion of Avanir's workforce has created the need to increase workforce capability, teamwork, efficiency, and collaboration across the entire organization. Avanir must also leverage the capabilities of new/upgraded systems.

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees (higher reimbursement rate and a lower post-retention wage). Trainees must be hired within the three-month period prior to Panel approval or during the term of the contract.

To keep pace with technology and continue to compete in the pharmaceutical industry, Avanir must expand its existing business capacity by adding newly-hired employees to research and develop new products. The Company hired 59 full-time workers in 2014 and projects to add approximately 90 new employees in 2015-2016, of whom 20 are included in this proposal (Job number 2). Trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

The majority of the training will be delivered via class/lab and is scheduled to start immediately upon Panel approval. A small percentage of training will be delivered via Computer-Based Training (CBT) as a precursor and/or supplement to Class/Lab training.

Business Skills (20%) – This training will be provided to all occupations. Trainees will be able to perform their job functions and provide improved and consistent customer service/support through sales/marketing, presentation skills, and customer service/support skills.

Commercial Skills (30%) – This training will be provided to Research & Development Staff and Engineering/Production Staff. Training includes Clinical Trials Processes & Procedures, Clinical Research Support Skills, Drug Research and Development Skills, and product knowledge. Training will enable frontline workers to improve research and development.

Computer Skills (10%) – All occupations will be provided Computer Skills training on systems and computer applications that are applicable to each trainee's job roles and responsibilities.

Continuous Improvement (40%) – This training will be provided to all occupations. In a continued effort to provide the best quality and service to its customers, this training will focus on Critical Thinking Skills, Leadership Skills, Process/Performance Improvement and Management Skills, Project Management Skills, and Team Building.

Commitment to Training

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. Avanir estimates it will spend \$400K in 2015/2016 for training that includes new employee orientation, anti-harassment/diversity, basic computer skills, and basic job skills training. ETP funding will allow Avanir to provide new and additional skills to its incumbent and newly hired employees as well as to expand its current training program to meet the needs of a rapidly growing organization.

Avanir has a dedicated Senior Director of Learning and Talent Development, who will oversee this training project and be responsible for managing the scheduling, delivery and documentation of training. ETP project administration will be provided by a subcontractor.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Avanir retained Training Funding Partners (TFP) in Fountain Valley to assist with development of this proposal for a flat fee of \$6,800.

ADMINISTRATIVE SERVICES

Avanir also retained TFP to perform administrative services in connection with this proposal for an amount not to exceed 11.5% 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

- Business Acumen
- Communication Skills & Relationship Building
- Customer Service/Support Skills
- Presentation Skills
- Sales/Marketing Skills

COMMERCIAL SKILLS

- Clinical Trials Processes & Procedures
- Clinical Research Support Skills
- Drug Research and Development Skills
- International Business Practices/Doing Business in Other Countries
- Product Knowledge Skills

COMPUTER SKILLS

- Intermediate/Advanced Microsoft Office
- Halogen Performance/Learning Management Software System

CONTINUOUS IMPROVEMENT

- Change Management
- Coaching/Feedback Skills
- Creative/Critical Thinking Skills
- Delegating Authority
- Effective Meetings
- Goal Setting
- Leadership Skills/Leading Teams
- Process/Performance Improvement and Management
- Project Management Skills
- Team Building Skills
- Time Management

CBT Hours

0 – 25

BUSINESS SKILLS

- Balance Conflicting Customer Priorities (30 minutes)
- Being Consistent with Company Values (30 minutes)
- Brand and Promote Your Project (30 minutes)
- Build your Network (30 minutes)
- Building Skills and Capabilities (30 minutes)
- Building Trust with Others (30 minutes)
- Cautious Communication Style (30 minutes)
- Communicate Clear and Concise Messages (30 minutes)

- Communicating Positive Expectations (30 minutes)
- Connecting Work to Company Objectives (30 minutes)
- Connecting Work to the Organization (30 minutes)
- Control vs. Influence (30 minutes)
- Create a Conflict Management Culture (30 minutes)
- Create a Vision Branding Statement (30 minutes)
- Creating a Conflict Resolution Mindset (30 minutes)
- Creating Accountability for Business Results (30 minutes)
- Creating Challenging Work (30 minutes)
- Creating the Mindset for Your New Role (30 minutes)
- Creating Work Autonomy (30 minutes)
- Developing an Attitude to Learn (30 minutes)
- Dominant Communication Style (30 minutes)
- Handling Customer Complaints (30 minutes)
- How Employees Support Organization Goals (30 minutes)
- Inspiring Communication Style (30 minutes)
- Keeping Customers Informed (30 minutes)
- Know and Meet Customer Needs (30 minutes)
- Learn From a Conflict Management Expert (30 minutes)
- Nonverbal Communication (30 minutes)
- Personal Skill Development Plan (30 minutes)
- Resources and Customer Needs (30 minutes)
- Seven Components of Great Presentations (30 minutes)
- Speaking Freely with Others (30 minutes)
- Struggling to Meet Commitments (30 minutes)
- Supportive Communication Style (30 minutes)
- The Right Level of Challenge (30 minutes)
- Understand Customer Needs (30 minutes)

CONTINUOUS IMPROVEMENT

- Accelerate Goal Achievement (30 minutes)
- Accelerate the Acceptance of Organization Change (30 minutes)
- Acting with Appropriate Speed to Problems (30 minutes)
- Align Resources to Strategic Priorities (30 minutes)
- Analyze Key Experiences for Lessons Learned (30 minutes)
- Analyze the Pros and Cons of Key Decisions (30 minutes)
- Ask Your Boss for Feedback (30 minutes)
- Balance Your Leadership and Employee Roles (30 minutes)
- Be a Powerful and Inspirational Role Model (30 minutes)
- Become a Reliable Leader with Integrity (30 minutes)
- Capture and Share Best Practices (30 minutes)
- Contributing to the Organization Strategy (30 minutes)
- Diagnose Resistance to Change (30 minutes)
- Discussing Your New Leadership Role (30 minutes)
- Ensure Strategy Alignment (30 minutes)
- Feedback for Great Results (30 minutes)
- Four Types of Feedback (30 minutes)
- Giving Clear Work Priorities (30 minutes)
- Giving Employee Feedback (30 minutes)

- Goal Setting at Three Levels (30 minutes)
- Help Groups Resolve Conflict (30 minutes)
- Helping Employees Manage Conflict (30 minutes)
- Identify All Outcomes of a Potential Decision (30 minutes)
- Improve the Feedback You Give Others (30 minutes)
- Improve the Quality of Feedback You Give (30 minutes)
- Increase Employee Innovation (30 minutes)
- Increase the Level of Challenge at Work (30 minutes)
- Increase Your Objectivity (30 minutes)
- Increase Your Personal Engagement (30 minutes)
- Inform and Inspire Your Team (30 minutes)
- Integrity Review (30 minutes)
- Know Your Skills and Gaps (30 minutes)
- Know Your Team's Experience and Background (30 minutes)
- Listening to Others' Ideas and Opinions (30 minutes)
- Manage Conflict with Others (30 minutes)
- Managing Team Resources (30 minutes)
- Maximizing Employee Talents (30 minutes)
- More Than One Solution (30 minutes)
- Motivation for Change (30 minutes)
- Project Teams Rely on Each Other (30 minutes)
- Receive Feedback From Your Employees (30 minutes)
- Reinforce Great Teamwork (30 minutes)
- Remove Yourself as a Source of Threat (30 minutes)
- Resources for Success (30 minutes)
- Seek Out the Ideas and Opinions of Others (30 minutes)
- Seeking Out Cutting Edge Ideas (30 minutes)
- Show Good Judgment Regarding Creative Ideas (30 minutes)
- Six Step Coaching Model (30 minutes)
- Skill Development Opportunities (30 minutes)
- Solving Problems in the Right Way (30 minutes)
- Sources of Feedback (30 minutes)
- Support Employee Development (30 minutes)
- Team Communication Feedback (30 minutes)
- Three Month Work Objectives (30 minutes)
- Understand the Expectations of a New Role (30 minutes)
- Use a Resource Management Agenda Item (30 minutes)
- Using an Employee's Best Skills and Abilities (30 minutes)
- Working with a Diverse Team (30 minutes)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee.