



**Retrainee – Job Creation
Training Proposal for:
Baja Designs Incorporated**

Small Business \leq \$50,000

ET15-0261

Panel Meeting of: August 22, 2014

ETP Regional Office: San Diego

Analyst: K. Campion

CONTRACTOR

- Type of Industry: Manufacturing
- Number of Full-Time Employees
 - California: 29
 - Worldwide: 29
 - Number to be trained: 32
- Priority Industry: Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 12%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$33,280
- In-Kind Contribution: \$20,649

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 SB <100	Cont. Improv., Mfg. Skills, Computer Skills, Business Skills	29	8-60	0	\$1,040	\$15.60
				Weighted Avg: 40			
2	Retrainee Priority Rate SB <100 Job Creation Initiative	Cont. Improv., Mfg. Skills, Computer Skills, Business Skills	3	8-60	0	\$1,040	\$13.00
				Weighted Avg: 40			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): San Diego
- Occupations to be Trained: Administration Staff, Engineering Staff, Production Staff, Sales/Customer Service Staff, Manager, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #'s 1 & 2: \$3.75 per hour

SUBCONTRACTORS

- Development Services: California Manufacturing Technology Consulting (CMTC) in Torrance assisted with development at no charge.
- Administrative Services: CMTC will also provide project administrative services for an amount not to exceed 13% of earned funds.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1992, Baja Designs Incorporated (Baja Designs) manufactures auxiliary lighting for off-road vehicles. The Company specializes in high performance LED lights and light bars, race lighting, off-road lighting, and other motorcycle and ATV products. These are precision-engineered and machined to perform in extreme conditions. All aspects of the business from design and engineering to sales and customer service generate from the sole facility in San Marcos (San Diego County). This is the site of the proposed training.

In 2013, Baja Designs experienced a 20% growth in sales. To take advantage of this increase and better manage its growth, Baja Designs has identified key factors that need to be addressed. First, to ensure product quality, efficiency and on-time delivery, Baja Designs must expand its workers' knowledge and use of Continuous Improvement tools. Secondly, technical skills training for production staff will provide cross-training opportunities and eliminate knowledge gaps that impact production. Finally, training on the Company's Enterprise Resource Management (ERP) system will ensure that workers have the knowledge to effectively use the system to manage inventory, track production, avoid errors and communicate more effectively with customers.

Retrainee - Job Creation

Baja Designs is expanding. It estimates a 15-30% overall business growth per year for the next three years based on its increase in sales volume. Therefore, the Company will expand its existing business capacity by adding newly-hired employees to existing functions. The Company projects to hire three full-time staff during the term of the Agreement (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 for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Training Plan

Continuous Improvement – This training will be provided to all occupations. Lean Manufacturing training will provide workers with lean concept tools to enhance their skill and leadership abilities to help the Company manage its growth to ensure product quality, efficiency, and on-time delivery.

Manufacturing Skills – This training will be provided to Production Staff, Engineering Staff and Managers. Supply Chain Management training will reduce inventory issues, enhance supplier relationships and ensure greater efficiency between Purchasing, Engineering, and Production Staff. Operational management will allow production staff to better control work in process and plan jobs. Training on Production Processes and Standard Operating Procedures will provide cross-training opportunities, enhance the cross-functional abilities of staff, avoid skills gaps, and ensure more efficient manufacturing operations. Document Control training will help trainees to learn the importance of traceability and how to handle sensitive information for customers.

Computer Skills – This training will be provided to all occupations. ERP training for workers at all levels and Excel for Admin Staff will ensure employees have the knowledge to effectively use the Company's ERP system to avoid errors, reduce rework, improve inventory management, and meet customer demands.

Business Skills – This training will be provided to Sales, Administration and Engineering Staff to provide workers with the skills to better manage their customer relationships, ensure better communication with internal and external customers, and better manage increasingly complex projects.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 60

Trainees may receive any of the following:

CONTINUOUS IMPROVEMENT

- + Lean Manufacturing
- + Six Sigma
- + Leadership Skills

MANUFACTURING SKILLS

- + Supply Chain Management
- + Operational Management
- + Production Processes and Standard Operating Procedures
- + Document Control

COMPUTER SKILLS

- + Intermediate Excel
- + Enterprise Resource Planning (ERP) Application Skills

BUSINESS SKILLS

- + Marketing & Sales
- + Customer Service
- + Project Management
- + Business Performance

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