

# DELEGATION ORDER



## Training Proposal for: Balanced Body, Inc.

**Agreement Number: ET16-0420**

**Approval Date:** March 24, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

### PROJECT PROFILE

Contract Attributes:	HUA Priority Rate Retrainee	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Sacramento	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: 140	U.S.:140	Worldwide: 140
<u>Turnover Rate:</u>	8%		
<u>Managers/Supervisors:</u> (% of total trainees)	14%		

### FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$62,640		\$0	\$0		\$62,640

In-Kind Contribution:	100% of Total ETP Funding Required	\$70,000
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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 HUA Priority Rate	Business Skills, Computer Skills, Continuous Impr, Mgmt Skills, Mfg Skills	87	8-200	0	\$720	\$13.10
				Weighted Avg: 40			

**Minimum Wage by County: Job Number 1(HUA):**\$12.08 for Sacramento 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
Accounting Staff		3
Education Staff		3
Marketing Staff		8
Production Staff		38
Engineers		2
Purchasing Staff		2
Sales Staff		15
Shipping/Receiving Staff		4
Supervisor		6
Manager		6

**INTRODUCTION**

Founded in 1978 and located in Sacramento, Balanced Body, Inc. (Balanced Body) (www.pilates.com) is a manufacturer of Pilates and other “mindful” movement equipment. The Company’s products, shipped domestically and internationally, include Studio Reformer, the Allegro Reformer, the EXO Chair and the Bodhi Suspension System. The Company also offers education and continuing education for fitness instructors. Customers are mainly small business, independent fitness studios. However, a portion of business includes commercial fitness chains such as Equinox, LA Sports Club and Bally Total Fitness.

**PROJECT DETAILS**

Balanced Body competes internationally and must train employees to maintain its commitment to quality and innovation. The Company plans to invest nearly \$500,000 in the next six months

to replace old servers, workstations and software. The upgrades include Microsoft Dynamics CRM and NAV (ERP), Oracle Eloqua Marketing Automation, and the R360 Servers.

With ETP funds, Balanced Body will implement a formal training program to enhance supply chain logistics and improve manufacturing processes. The proposed training will give employees cross-functional skills; develop standardized, efficient processes; reduce costs; and decrease delivery time to customers. The proposed training will introduce Lean Manufacturing principles and provide tools for process improvement initiatives.

## Training Plan

Trainees will receive between 8-200 hours of classroom/laboratory training, as outlined below:

**Business Skills (20%):** Training will be offered to Accounting Staff, Education Staff, Sales Staff, Purchasing Staff, and Marketing Staff. Trainees will receive skills to better manage customer relationships and work as a team to ensure better communication. Training will include course topics such as Customer Service, Listening Skills, Developing Sales Strategies, Technical Writing, and Negotiating Skills.

**Computer Skills (35%):** Training will be offered to Accounting Staff, Engineers, Education Staff, Marketing Staff, Sales Staff, Production Staff, and Shipping/Receiving Staff. Trainees will receive training on the new ERP system to ensure effective use of systems and equipment. Training will also focus on scheduling, inventory control, and purchasing processes to enhance customer satisfaction. Course topics include database management, publishing, Enterprise Resource Planning software (ERP), and website development.

**Continuous Improvement (30%):** Training will be offered to Production Staff, Accounting Staff, Purchasing Staff, Engineers, Supervisors and Managers. Training will increase staff knowledge of cost reduction, quality improvement and error reduction. Course topics include Lean Manufacturing, process control principles, process capabilities, production operations/workflow, and root-cause analysis.

**Manufacturing Skills (10%):** Training will be offered to Production Staff, Engineers, Supervisors, and Managers. Training will include new manufacturing techniques, procedures and processes to improve technical knowledge, and job functions via cross-training to improve manufacturing processes and lower costs. Course topics include Assembly Operations, Computer-Aided Manufacturing (CAM), Ergonomics, Inventory Control, Lean Manufacturing Principles, and Kaizen Principles.

**Management Skills (5%):** Training will be offered to all Supervisors and Managers. Training will focus on skills required to run a team effectively and efficiently. Course topics include Coaching/Feedback, Developing Teams, Effective Meetings, Facilitation Skills and Conflict Management.

## Green/Clean Operations

Balanced Body purchases wood from suppliers who harvest trees from well-managed North American forests approved by the Forest Stewardship Council (FSC). In these forests, tree growth exceeds removals by a nearly 2-to-1 margin. From choosing only sustainably harvested lumber for their wood products to using recyclable shipping containers and packing materials, the Company is constantly improving their efforts to conduct environmentally friendly business practices. The Company also has over 1,000 solar panels on the company headquarter roof to reduce power consumption from the grid.

**High Unemployment Area**

All 87 trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in Florin CDP in Sacramento County qualifies for HUA status.

➤ Wage Modification

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Balanced Body is requesting a 19% wage modification for all trainees (from \$16.10 per hour to \$13.10 per hour).

**Commitment to Training**

Balanced Body has an annual budget of approximately \$10,000 per facility. Training includes new-hire orientation, specific equipment training, train the trainer, AutoCAD and sales training. The Company 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

The Company will have one person dedicated to uploading and maintaining rosters. Training schedules will be developed on a monthly basis to allow management to schedule training accordingly.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Balance Body retained Manex in San Ramon to develop this proposal.

Note: Manex is eligible to receive 10% of the approved amount of funding for referrals such as this, under a marketing agreement with ETP, not to exceed \$15,000. In this proposal, the fee will be \$6,264. This fee does not affect the approved amount of funding.

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Budget Analysis
- Business Plans
- Business Strategies
- Shipping
- Inventory Management
- Communication Skills
- Computer/Internet Applications in Business
- Customer Service
- Developing Sales Strategies
- Developing Marketing Strategies
- Inventory Control
- Listening Skills
- Materials Management
- Marketing for Small/Medium-Sized Manufacturers:
  - Evaluating Marketing Effectiveness
  - Marketing Concepts
  - Marketing Techniques
  - Practical Marketing Applications
- Negotiating Skills
- New Product Introduction
- Project Management Techniques
- Selling/Serving the Customer
- Strategic Planning
- SWOT Analysis
- Sustainability
- Technical Writing

**COMPUTER SKILLS**

- Active Directory Administration Accounting Systems
- Basic Operations
- CAD
- CNC
- Computer-based/Web-Based Training Systems
- Communications Systems
- Database Management
- Desktop Publishing
- Digital Entertainment Systems
- Exchange Administration
- Enterprise Resource Planning Software
- Graphics
- Internet
- Payroll Systems

- Presentation
- Programming
- Publishing
- Spreadsheets
- Technical Writing
- Telecommuting
- Website Development and Maintenance
- Word Processing

### **CONTINUOUS IMPROVEMENT**

- Assessment Principles
- Audit Principles
- Basic Quality Tools
- Benchmarking Principles
- Building Teams
- Business Improvement Principles
- Continuous Improvement Skills
- Creative/Innovative Thinking Skills
- Creative Problem-Solving Skills
- Cycle-Time Reduction Techniques
- Cycle-Time Management Techniques
- Decision-Making Skills
- Defining Problems
- Design for Manufacturing Acceptability
- Design of Experiments
- Developing Action Plans
- Developing Solutions
- Effective Meetings
- Effective Teams
- Effective Writing
- Implementation Skills
- Interpersonal Skills
- Interpreting & Analyzing Data
- ISO
- Just-in-Time Production (JIT)
  - Cycle-time Reduction
  - Cycle-time Management
  - Developing JIT
  - Evaluating JIT
  - Implementing JIT
  - Organizing for JIT
  - JIT Principles
  - JIT Production
- Lean Manufacturing
- Leadership Skills
- Manufacturing Excellence
- Monitoring The Process
- Presentations

- Process Control Principles
- Process Capabilities
- Process Improvement
- Process/Product Handling
- Production Scheduling
- Production Operations/Workflow
- Root Cause Analysis
- Quality Systems – ISO 9001 Etc.
- Self-Directed Work Teams
- Situation/Problem Analysis
- Statistical Process Control (SPC)
  - System Analysis
  - System Strategies
  - Taguchi Methods
- Team Building/Problem Solving
  - Building Teams
  - Communication
  - Creative/Innovative Thinking
  - Decision Making
  - Developing Action Plans
  - Developing Solutions
  - Effective Teams
  - Empowerment Process
  - High Performance Work Teams
  - Leadership
  - Multicultural Communication/Diversity
  - Problem Solving
  - Self-Directed Work Teams
  - Situation/Problem Solving
  - Team Concepts
  - Team Building/Problem Solving
  - Teamwork in an Empowered Workforce
- Total Quality Management (TQM)
  - Audit Planning
  - Basic Quality Tools
  - Benchmarking
  - Business Process Improvement Change Process
  - Continuous Improvement
  - Creative Problem Solving/Innovation
  - Creative/Innovative Thinking
  - Developing TQM
  - Evaluating TQM
  - Implementing TQM
  - Organizing for TQM
  - Quality Concepts
  - TQM Strategies
- Train the Trainer
- Value Stream Mapping
- Variation/Process Control

**MANUFACTURING SKILLS**

- Assembly Operations
- Automated Equipment
- Blueprint Reading
- Computer-Aided Design (CAD)
- Computer-Aided Engineering (CAE)
- Computer-Aided Manufacturing (CAM)
- Computer Numeric Control (CNC)
- Cellular Manufacturing
- Cutting
- Electronics
- Electronic Assembly Workmanship
- Equipment Operations
- Equipment/Preventive Maintenance
- Ergonomics
- Facilities Management
- Five S Principles
- Fork Lift Training / Certification
- Good Manufacturing Practices (GMP)
- Handling Changes
- Inventory Control
- International Standards Organization (ISO) Certification
- Kaizen Principles
- Kanban Principles
- Layout
- Lean Manufacturing Principles
- Machining
- Machine Trades
- Maintenance Mechanic Overview Level 1
- Maintenance Mechanic Overview Level 2
- Machine Tool Technology
- Introduction to Hand Tools
- Manufacturing Modules
- Manufacturing Processes
- Meeting Customer Expectations (Internal/External)
- Metrology/Geometric Dimensioning & Tolerances
- Mounts
- Optimal Operating. Methods
- Pneumatics/Hydraulics
- Presses
- Pressing
- Production Techniques
- Programmable Logic Controllers (PLC)
- Quality
- Root Cause Analysis
- Sequencing Sewing Operations
- Set up Reduction

- Shipping/Receiving
- Shop skills -- Drawing, Measurement and Instrumentation
- Special Machines/Inspections
- Statistics Skills for Operations
- Technical Training
- Total Productive Manufacturing
- Total Quality Management
- Training Within Industry (TWI)
- Understanding Product Specs/Drawings
- Value Stream Mapping
- Warehousing Operations/Distribution
- Work Measurement
- Workflow
- World Class Manufacturing Principles

**MANAGEMENT SKILLS** (Managers/Supervisors only)

- Coaching/Feedback
- Communication Skills
- Conflict Management
- Decision Making/Problem Solving
- Developing Teams
- Effective Meetings
- Effective Writing
- Facilitation Skills
- Finance for Small/Medium-Sized Manufacturers
- Interviewing Skills
- Leadership/ Management Development
- Management Skills
- Management Styles
- Managing Change
- Managing Customer Service (Internal & External)
- Managing Diversity/Differences
- Managing Innovation
- Manufacturing Cells
- Marketing for Small/Medium-Sized Manufacturers
- Motivation/Reinforcement
- Performance Management
- Project Management
- Strategic Planning
- Supervisory Skills

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

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