



**Training Proposal for:  
Beachbody, LLC**

**Agreement Number: ET16-0351**

**Panel Meeting of:** January 22, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccereilli

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Multimedia/Entertainment Services  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	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: 842	U.S.: 850	Worldwide: 872
<u>Turnover Rate:</u>	8%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$243,450		\$0	\$0		\$243,450

In-Kind Contribution:	100% of Total ETP Funding Required	\$216,000
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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 Priority Rate	Business Skills, Computer Skills; Continuous Imp., Mgt. Skills; Adv. Technology	541	8-200	0-40	\$450	\$16.48
				Weighted Avg: 25			

**Minimum Wage by County:** \$16.48 per hour in Job Number 1 for Los Angeles 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
Administrative Staff I		32
Administrative Staff II		4
Research & Development Staff I		16
Research & Development Staff II		2
Call Center Staff		60
Training Staff		10
Technology Staff I		56
Technology Staff II		51
Technology Quality Assurance I		15
Technology Quality Assurance II		3
Marketing & Sales Staff I		115
Marketing & Sales Staff II		33
Finance & Accounting Staff I		28
Finance & Accounting Staff II		7
Supply Chain Planning Staff I		42
Supply Chain Planning Staff II		8
Strategic Planning & Business Analysis Staff I		31
Strategic Planning & Business Analysis Staff II		8
Manager/Supervisors		20

## **INTRODUCTION**

Founded in 1998, and headquartered in Santa Monica, Beachbody, LLC (Beachbody) ([www.beachbody.com](http://www.beachbody.com)) is the creator of a DVD series for fitness and weight loss, including the following brand names: P90X<sup>®</sup>, Insanity<sup>®</sup>, Focus T25<sup>®</sup>, PiYo<sup>®</sup> and Hip Hop Abs<sup>®</sup>. Beachbody programs combine DVD-based workouts with diet guidelines, along with nutritional supplements including its health shake Shakeology<sup>®</sup>.

The Company has also launched “Beachbody on Demand” as a new digital fitness product. It will provide customers with a streaming digital access to its fitness product catalog from any device (i.e. television, desktop, tablet, or mobile device). Beachbody is also involved in the research and development of technology, digital product design, and new web-based platforms (Roku<sup>®</sup>, Apple TV<sup>®</sup>, Fire TV<sup>®</sup>).

Beachbody has three main product lines: DVD, digital streaming programs and nutrition products. The DVDs are produced at its Santa Monica location, and the digital streaming content is produced at its Westlake Village location. The Operations/Call Center, Inventory Management and Research & Development are in El Segundo. The proposed training will be provided to trainees in all three locations.

In 2015, Beachbody spent over \$88.6 million on new systems and technology. This included new software or upgrades to several systems and platforms. The installation and implementation of the new systems and technology will continue through the next two years. The training cost is not included in the purchase price.

This is Beachbody's first ETP Agreement. The Company is eligible for standard retraining as a manufacturer facing out-of-state Competition, and is eligible for priority industry reimbursement.

## **PROJECT DETAILS**

### **Training Plan**

Beachbody is expanding into new markets. Its products, along with the methods in which it delivers products to customers, are constantly evolving. The Company is committed to providing all employees with best-in-practice opportunities to improve their skills and understands that a highly skilled employee workforce is critical to its continued growth. ETP funding will be a key aspect in ensuring that Beachbody delivers on that commitment to its employees.

In addition, Beachbody has undertaken a massive systems enhancement project to support its business initiatives and to ensure that it continues to provide the high level of service to its customers. These efforts represent a major shift in the way Beachbody delivers its content to customers and have an impact on the internal processes utilized to conduct and report business activities. A highly trained employee workforce with appropriate skillsets to address these initiatives is a critical component to the continued success of the company.

**Business Skills** (30%) – Training will be offered to all occupations on topics such as Communication Skills, New Product Knowledge and Problem Solving among others. With the dramatic change on how Beachbody delivers content, trainees need to understand the new products and effectively communicate to both internal staff and customers.

**Computer Skills** (30%) – Training will be offered to all occupations focusing on the system changes resulting from the Oracle Reimplementation, introduction of new proprietary software

and other software needed to navigate the rapidly changing environment of digital streaming as opposed to the prior DVD delivery method.

**Continuous Improvement (30%)** - Training will be offered to all occupations with emphasis on Process Improvement, Project Management and Frontline Leadership. The goal is to provide trainees with the skills needed to adapt with the new ways Beachbody will deliver its content and changes in processes as a result of the Oracle Reimplementation.

**Management Skills (4%)** – Training will be provided to Managers and Supervisors focusing on skills needed to be effective in leading and managing people.

**Advanced Technology (AT) (6%)** – Training will be offered to Technology Staff and Technology Quality Assurance Staff. With the switch to a digital delivery method, Beachbody must have a technical workforce skilled across many platforms and types of technologies. AT will be delivered in highly technical learning environments, including special curricula, instructors and training labs. The costs for delivering AT training range from \$500 to \$1,000 per day, plus hardware, software, and setup costs. Additional software licensing will be purchased so trainees can have as much training time as possible. The trainer-to-trainee ratio for AT training is 1:10 to allow for in-depth coverage and personal attention from the instructor.

### **Computer-Based Training**

Computer-Based Training (CBT) will serve as a supplement to the Business Skills, Computer Skills, Continuous Improvement and Management Skills class/lab training either as a prerequisite or as a follow-up to ensure trainee's competency in the subject matter. CBT is capped at 50% of the total training hours per trainee.

### **Commitment to Training**

ETP funds will not displace the existing financial commitment to training. In support of continuous employee development, The Company's current training budget is approximately \$300,000 and covers New Hire Orientation, Sexual Harassment Prevention, OSHA-mandated training, on-the-job training and mentoring programs. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### **Impact/Outcome**

ETP-funded training will enable Beachbody to provide access to learning and training for employees who want to set the pace in their field for the next decade. As the Company grows and expands, trainees will develop the skills to adapt and excel in new markets, exhibiting their best skills in various technologies and platforms.

#### ➤ Training Infrastructure

Beachbody's Executive Director of Training & Development will oversee the internal project administration. There are also dedicated internal training personnel who will be in charge of scheduling, trainee enrollments, tracking hours and monitoring with ETP staff. In addition, the Company retained an outside consultant to assist in the project administration.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Beachbody retained Tax Credit Co. in Los Angeles to assist with development of this proposal for a fee of \$7,303.

**ADMINISTRATIVE SERVICES**

Tax Credit Co. will also perform administrative services in connection with this proposal for a fee not to exceed 10% 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 Writing
- + Communication Skills
- + Conflict Management
- + Dealing with Change
- + Documentation Skills
- + Effective Feedback
- + Effective Meetings
- + Interpersonal Skills
- + Listening Skills
- + Managing Client Data
- + Negotiating Skills
- + New Product Knowledge
- + Presentation Skills
- + Problem Solving
- + Project Management
- + Public Speaking Skills
- + Strategic Planning

**COMPUTER SKILLS**

- + Microsoft Office (Advanced & Intermediate)
- + Oracle Reimplementation
- + By Design System Process
- + Citrix
- + Computer Programming
- + Film Production and Editing
- + Website Design

**CONTINUOUS IMPROVEMENT**

- + Collaboration Skills
- + Decision Making
- + Effective Delegation
- + Effective Planning
- + Equipment Operations
- + Frontline Leadership
- + Implementation Skills
- + Improving Productivity
- + Motivation
- + Process Improvement
- + Six Sigma

**MANAGEMENT SKILLS (For Managers & Supervisors Only)**

- + Coaching
- + Avoiding Management Traps
- + Team Building

**ADVANCED TECHNOLOGY** *(For Technology and Technology QA Staff Only)*

- ✚ Java Code
- ✚ Network Administration
- ✚ AVID Editing
- ✚ SCCM Design and Integration
- ✚ Service Layer Integration in Various Computer Languages
- ✚ API Integration
- ✚ Code Base Integration
- ✚ Database Code Integration
- ✚ Test Case Development

**CBT Hours**

0 – 40

**BUSINESS SKILLS**

- ✚ Grammar Fundamentals (2 hours 11 minutes)
- ✚ Writing Email (1 hour 13 minutes)
- ✚ Communication Tips (3 hours 37 minutes)
- ✚ Communication Fundamentals (2 hours 5 minutes)
- ✚ Business Writing Fundamental (1 hour 32 minutes)
- ✚ Communicating with Confidence (1 hour 28 minutes)
- ✚ Customer Service Fundamentals (1 hour 57 minutes)
- ✚ Marketing Tips (8 hours 15 minutes)
- ✚ Accounting Fundamentals (2 hours 46 minutes)
- ✚ Improving Your Conflict Competence (52 minutes 13 seconds)
- ✚ Online Marketing Fundamental (3 hours 31 minutes)

**COMPUTER SKILLS**

- ✚ Up and Running with Excel 2010 (3 hours 52 minutes)
- ✚ Premiere Pro CC Essential Training (2014) (8 hours)
- ✚ Developing for the MEAN Stack and MongoDB (2 hours 57 minutes)
- ✚ Techniques and Concepts of Big Data (2 hours 12 minutes)
- ✚ Agile Project Management (1 hour 16 minutes)
- ✚ InDesign CC Essential Training (2013) (9 hours 31 minutes)
- ✚ Microsoft Excel 2010 Essential Training (6 hours 30 minutes)
- ✚ Excel 2013 Essential Training (6 hours 21 minutes)
- ✚ Excel Tips (6 hours 5 Minutes)
- ✚ Visio 2010 Essential Training (6 hours 11 minutes)
- ✚ SQL Essential Training (3 hours 27 minutes)
- ✚ Excel 2013 Tips and Tricks (4 hours 34 minutes)
- ✚ JavaScript Essential Training (5 hours 31 minutes)
- ✚ Amazon Web Services Essential Training (3 hours 56 minutes)
- ✚ JavaScript Functions (1 hour 25 minutes)
- ✚ JavaScript and AJAX (1 hour 12 minutes)
- ✚ Foundations of Programming: Fundamentals (4 hours 47 minutes)
- ✚ Up and Running with AngularJS (1 hour 27 minutes)
- ✚ JavaScript and JSON (1 hour 12 minutes)
- ✚ Creative Quick Tips (6 hours 57 minutes)

**CONTINUOUS IMPROVEMENT**

- ✚ Getting Things Done (1 hour 32 Minutes) – Productivity tips
- ✚ Project Management Fundamentals (2 hours 7 minutes)
- ✚ Influencing Others (1 hour 21 minutes) Project Management

**MANAGEMENT SKILLS** *(For Managers & Supervisors Only)*

- ✚ Decision-Making Fundamentals (47 minutes 56 seconds)
- ✚ New Manager Fundamentals (1 hour 12 minutes)
- ✚ Leadership Fundamentals (1 hour 24 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.