



**Retrainee - Job Creation  
Training Proposal for:  
Chrome Collision, Inc. dba Fix Auto Poway**

<b>Small Business</b>
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**ET16-0296**

**Approval Date:** December 9, 2015

**ETP Regional Office:** San Diego

**Analyst:** S. Godin

**CONTRACTOR**

- Type of Industry: Services
  
- Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 34
  - Worldwide: 34
  - Number to be trained: 29
  - Owner  Yes  No
  
- Out-of-State Competition: No OSC
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 8%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$35,046
- In-Kind Contribution: \$17,523

**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	Commercial Skills, Computer Skills, Cont. Imp., HazMat, PL Comm Skills	21	8-60	0	\$1,166	\$27.40
				Weighted Avg: 53			
2	Retrainee SB<100 Job Creation Initiative SET	Commercial Skills, Computer Skills, Cont. Imp., HazMat, PL Comm Skills	8	8-60	0	\$1,320	\$13.28
				Weighted Avg: 60			

- Reimbursement Rate: \$22 SB Non-Priority
- County(ies): San Diego
- Occupations to be Trained: Technician, Estimator, Controller, Administrative Support, Frontline Manager, Owner, Operations Director
- Union Representation:  Yes  
 No
- Health Benefits: Job #'s 1 and 2: \$2.25 per hour

**SUBCONTRACTORS**

- Development Services: Synergy Management Consultants in Grass Valley assisted with development for a flat fee of \$2,100.
- Administrative Services: Synergy Management Consultants will also provide administration services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Chrome Collision, Inc. dba Fix Auto Poway (CCI) was originally formed in 2011 ([www.fixautopoway.com](http://www.fixautopoway.com)). This small business joined the Fix Auto Group as an independently owned franchise in 2014. The Company specializes in automotive collision repair and sales of associated parts and accessories. CCI currently employs 34 full time workers. Headquartered in Poway, CCI recently opened a second facility in downtown San Diego. A third San Diego County location is scheduled to open by 2016.

## **PROJECT DETAILS**

CCI's need for training is being driven by its strategic plan: increase revenues, raise worker efficiency levels, and provide a higher level of customer satisfaction at competitive prices. To meet this goal, CCI must update employee product knowledge and technical skill sets, and implement standard operating procedures and process improvements.

CCI must train workers on new technology: use of lighter metals in vehicle parts and recent technological advances in alternative fuel systems. These have changed the way auto body repairs are done and how repair costs are estimated. Technicians must be able to work with these metals and understand how body repairs differ. Key training areas include automobile repairs that utilize metals such as Boron and ultra-high strength steels and composites, as well as damage assessment for newer technology vehicles. Technicians will also receive technical training needed to meet standards established by the Inter-Industry Conference on Auto Collision Repair (I-CAR), Automotive Service Excellence, and Original Equipment Manufacturer credentials required by most insurers and vehicle manufacturers.

CCI participates in Direct Repair Programs (DRPs) as a preferred provider with Geico, Safeco, Nationwide, Mercury, State Farm, and most recently USAA and Farmers Insurance. Participating in DRPs provide a streamlined and more efficient process for all involved (CCI, the insurance carrier and the customer). Preferred provider status allows CCI to act on behalf of the insurance carrier, eliminating the need for the adjuster to make a trip to the body shop to write an estimate and to wait for repair approval and thus, removing unnecessary steps, reducing cycle time, and minimizing costs. Each insurance carrier has specific repair guidelines. Estimators and Technicians must have the product knowledge and technical skills to complete estimates and repairs per each carrier's specific criteria to maintain DRP status. These insurance carriers also require a minimum of 40 hours in yearly technical skills upgrade training and recertification (amounts vary by carrier) for Technicians, Estimators and Administrative Support Staff. For example, these occupations must be trained on revisions to CCI's various software programs and updates to each DRP insurance carrier's software which will enable employees to efficiently navigate these systems that are used for estimating, job costing, production planning, and customer communication. Training will be delivered by a combination of training vendors and in-house staff.

### **Retrainee - Job Creation**

CCI opened a second facility in October 2015, and a third facility is slated to open by 2016. Its employee count increased from 27 to 34 for the period of 11/01/2014 – 11/01/2015. During the same period, the Company experienced a 15% increase in revenue.

For the next two years, based upon its expansion, sales volume forecasts, and new DRP status with USAA and Farmers, CCI predicts a 30% increase in overall business growth. To support its growth plans, the Company will increase its full time workforce, hiring 10 net new employees, of which 8 are included in the proposed ETP Agreement (3 Technicians, 2 Estimators 2 administrative support staff and 1 frontline manager). These new workers will require extensive training to develop the requisite skills needed to facilitate projected growth.

These trainees must be hired within the three month period prior to Panel approval or during the term of the contract. Trainees for SET-funded projects are subject to the ETP minimum wage for new-hires, rather than the SET wage. As a condition of contract, trainees must be hired into "net new jobs."

## Training Plan

**Business Skills** - Training will be offered to all occupations and focus on customer relationship building and negotiation, presentation, and communication skills. This training is aimed to improve industry-specific claims processing techniques and customer service and engagement skills.

**Commercial Skills** – Training will be offered to Technicians, Estimators, and select Managers. Training will include automotive service and repair skills, new vehicle technologies, aluminum and hybrid repair, alternative fuel vehicle maintenance, and extended I-CAR credentials for collision centers. This training will also teach Estimators and Administrative Support Staff how to accurately estimate damage and create repair plans.

**Computer Skills** – Training will be offered to all occupations in the Company's software systems used to track costs and production flow, schedule service, and connect with customers and insurance carriers. Estimators will receive extensive training on estimating software.

**Continuous Improvement** – Training will be delivered to all occupations. Continuous Improvement topics are designed to promote teamwork throughout the organization; streamline processes; and improve quality, cycle time, and cost efficiency.

**Hazardous Materials** – Training will be offered to Technicians and Managers on the safe handling and disposal of hazardous materials.

### Productive Lab (PL)

Under the Panel's Productive Lab (PL) guidelines, trainees may produce goods or perform services for profit as part of the training in the courses identified under the Curriculum. The training will be provided by in-house subject matter experts who are exclusively dedicated to instruction for the entire reported training time.

PL training will compliment class/lab training modules listed in the curriculum. PL training will involve the use of resistance spot welders, metal inert gas welders, frame rack and measuring system, paint spray guns, paint spray booths, and various hand tools. Trainees will receive instruction in collision repair and painting methods, welding of structural parts, measuring frames and uni-body structures, aluminum repair methods, identification of mechanical components, uni-body alignment processes, and advanced vehicle diagnosis and repair.

Certain elements of training needs to take place in a PL setting to ensure that workers reach required proficiency levels. PL tasks and competencies and the estimated minutes/hours needed to achieve proficiency have been developed and are included as part of the proposed training plan. Trainers will certify trainees once competencies are achieved. Approximately 19 Technicians and Estimators will receive up to 18 hours of PL each at a 1:1 trainer-to trainee ratio.

### Special Employment Training Funds

Under Special Employment Training (SET), companies are not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of retention. Although these funds are designated for front-line workers only, managers are exempted in a small business project and owners may participate when the Company has less than 50 employees worldwide.

**Use of Commissions and Bonuses to Meet ETP Wages for Job Number 1 Trainees**

CCI requests to use commissions to meet the Post-Retention wage of \$27.40 for Technicians and Estimators in Job Number 1. Commissions for these occupations are based on a percentage of services rendered/sold and company profits. The Company's commissions are calculated and paid twice monthly.

Technicians- CCI reports that its Technicians receive a variable commission based on a percentage of CCI's labor rate, number and type of cars receiving services, the level of expertise of the Technician or Mechanic, and the years of service. CCI reports that monthly commissions averaged at least \$11.56 per hour for the last 12 consecutive months (11/1/2014 – 11/1/2015). Technicians will meet the SET wage with the use of commissions and (if needed) employer-paid health benefits of \$2.25 per hour.

Estimators – These trainees earn a variable commission based on the amount of work (repairs) sold. CCI reports that commissions for these employees averaged at least \$3.40 per hour for the last 12 consecutive months (11/1/2014 – 11/1/2015). Estimators will earn meet the SET wage with the use of commissions and (if needed) employer-paid health benefits of \$2.25 per hour.

**RECOMMENDATION**

Staff recommends approval of this proposal.

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

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Customer Care Skills
  - Customer Retention
  - Customer Engagement
  - Customer Relationship Building
- Advanced Sales & Marketing Skills
  - Prospecting & Closing
  - Sales Account Management
  - Advanced Closing Techniques
  - Sales Procedures & Strategies
- Negotiation Skills
- Conflict Resolution
- Communication Skills
- Presentation Skills

**COMMERCIAL SKILLS**

- I-CAR Collision Repair Certification Skills
- Refinishing Skills
  - Trim & Hardware
  - Surface Preparation
  - Vehicle Priming/Sealing
  - Paint Spray Guns Maintenance & Set-Up
  - Corrosion Protection Process
  - Sand, Buff & Detail
  - Color Theory & Tints
  - Blending Techniques
  - New Technologies
- Structural Repair
  - Unibody Alignment
  - Three dimensional measuring
  - Repair & replacement of Outer Body Panels
  - High Strength Steels
  - Aluminum Repair Processes
  - MIG Welding Skills
  - Straightening Structural Damage
  - Glass Replacement
  - Pillars, rocker Panels, Rails, Front Structures & Floor Pan Replacement
  - Heating Cooling and AC Systems
  - Steering & Suspension Systems
  - Advanced Vehicle Systems
- Non-Structural Vehicle Repair Skills
  - Remove & Install Trim & Hardware
  - Adhesive Bonding
  - Diagnose Wind Noise & Water Leaks

- Aluminum Cosmetic Damage
  - Spot Welding
- Estimating Skills
  - Steering & Suspension System Damage Analysis
  - Damage on Non-Drivable Vehicles
  - Electrical/Mechanical Systems
  - Stationary Glass
  - Advanced Materials
  - Advanced Vehicle Systems
- Vehicle Operation, Maintenance, & Troubleshooting
- Alternative Fuel & Hybrid Vehicle Repair Diagnostics
- Service Procedures & Scheduling
- Product Knowledge
- Blueprint Reading

### **COMPUTER SKILLS**

- CCC One Software
  - Job Costing
  - Production Flow
  - Production Planning - ETA Times & Dates
  - Internal & External Customer Communication
- Mitchell & Mitchell Repair Center Software
- Audatex Software
- CCC Info Systems Software
- All-Data Software
- Microsoft Office Suite

### **CONTINUOUS IMPROVEMENT SKILLS**

- Leadership Skills
- Teambuilding
- Root Cause Analysis
- Kaizen Event Strategy & Implementation
- Lean Concepts
- Process/Quality Improvement
- Problem Solving/Decision Making Skills
- Inventory Control
- Standard Operating Procedures

### **HAZARDOUS MATERIALS HANDLING**

- Completing Material Safety Data Sheets (MSDS)
- Volatile Organic Compound (VOC) Tracking
- Emergency Clean-Up
- Registration, Evaluation, Authorization & Restriction of Chemical Substances

**Productive Lab Hours**

0-18

**COMMERCIAL SKILLS** (1:1 trainer-to-trainee ratio)

- Body Filler Methods—1.5 hour
  - Task assigned- repair small to medium sized dent in a typical steel panel. This should take approximately 1.5 hours. Instructor will give instruction, watch, provide real time feedback and check work at the end of the project.
- Structural Resistance Spot Welding—1 hour
  - Task assigned- weld 15 welds per manufacturer guidelines. Instructor will teach student how to properly set specifications on the welder, inspect native panel and new panel, watch student perform the weld function and inspect welds for strength, penetration and porosity.
- MIG Brazing Techniques—1 hour
  - Task assigned- MIG braze a 6 inch section. Instructor will teach student proper welder set up, inspect native and new panels and give instruction on technique, watch student perform welds and inspect.
- Color Tinting—3 hours
  - Tasks assigned- match 1, solid color, 1, two-stage color and 1 metallic color. Instructor will give instruction on color code analysis, watch student mix base coat colors, watch student perform spray out panel, give feedback on potential methods of tinting, and retrace earlier steps until a sufficient blend able match is acquired.
- Spraying/Blending Techniques—2 hours
  - Tasks assigned- Refinish 1 panel, perform blend on adjacent panel. Instructor will watch painter perform refinish tasks, provide feedback on spray gun set-up, booth and vehicle condition, temperature conditions, while allowing painter to learn best processes.
- Measuring Vehicle Structures- 1 hour
  - Tasks assigned- set up vehicle on frame rack along with measuring system, create initial measurements. Instructor will watch student during the task and provide feedback on proper use of the measuring system, possible failure areas, problem solving actual versus manufacturer specs.
- Alignment Process for Unitized Vehicles—2 hours
  - Task assigned- Complete frame alignment for a unitized vehicle with a front sway or sag condition. Instructor will teach student how to read initial measurements, typical methods of correcting the condition, while allowing student to perform the repairs, instructor will oversee and provide feedback and or corrections necessary to complete the repair.
- Alignment Process for Full Frame Vehicles—2 hours
  - Task assigned- Complete frame alignment for a Full- Frame vehicle with a front sway or sag condition. Instructor will teach student how to read initial measurements, typical methods of correcting the condition, while allowing student to perform the repairs, instructor will oversee and provide feedback and or corrections necessary to complete the repair.
- Aluminum Repair—1 hour
  - Task assigned- repair as small dent in an aluminum panel. Instructor will teach the tools necessary, clean conditions necessary, watch student complete the repair, while giving feedback on performance, potential options, and inspect repair when complete.

- Technical Estimating Skills- 1.5 hours
  - Task Assigned—Review damage on vehicle, make notes as to necessary repair methods, photo document. Complete estimate in estimating system (CCC, Mitchell or ADP), Watch student complete the estimating process, give feedback on proper repair methods and necessary operations, included operations and proper use of parts. Instructor will use collaborative coaching to teach student on technical estimating procedures to improve the student's technical estimating skills.
- Estimating DRP (Direct Repair Program) Skills- 1.0 hours
  - Task Assigned—complete estimate documentation and upload billing along with photos, documentation to assigned insurance company. Instructor will inform student of rules and processes and then watch student perform the estimating and upload procedure-giving feedback on accuracy and compliance along with tips on increased productivity and efficiency. The goal is to get the student to become proficient with electronic estimating and submission of insurance claims while maintain compliance to the rules and processes of the programs.
- Estimating System Software Skills—1.0 hours
  - Task assigned –Input estimating notes into software system (CCC, Mitchell or ADP), find the relevant repair or replace procedure(s) and document properly in the system. Instructor will explain the system and then watch the student input in the system and coach and train on how to get the system to mimic the needed repair procedure. The goal of the student is to become proficient using the IT system to depict the needed repair procedures/ process.

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

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. PL is capped at 18 hours per-trainee.
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