DELEGATION ORDER

STATE OF CALIFORNIA
ETP
EMPLOYMENT TRAINING PANEL

Training Proposal for:

Dennis Silletto & Associates dba Glendora Chrysler Jeep Dodge

Small Business

ET16-0331

Approval Date: December 30, 2015

ETP Regional Office: North Hollywood **Analyst:** E. Fuzesi

CONTRACTOR

- Type of Industry: Services
  Retail
  Priority Industry: ☐ Yes ☒ No
- Number of Full-Time Employees
  California: 47
  Worldwide: 47
  Number to be trained: 31
  Owner ☐ Yes ☒ No
- Out-of-State Competition: No OSC
- Special Employment Training (SET): ☒ Yes ☐ No
- High Unemployment Area (HUA): ☐ Yes ☒ No
- Turnover Rate: 14%
- Repeat Contractor: ☐ Yes ☒ No

FUNDING

- Requested Amount: $49,786
- In-Kind Contribution: $63,704

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	Business Skills Commercial Skills	31	8-100	0	$1,606	$27.40
				Weighted Avg: 73			

- Reimbursement Rate: $22 SB Non-Priority
- County(ies): Los Angeles
- Occupations to be Trained: Administration Staff, Mechanic, Sales Staff, Service Writer, Manager
- Union Representation: ☐ Yes ☒ No
- Health Benefits: $1.99 per hour

SUBCONTRACTORS

- Development Services: Training Refund Group (TRG) in Anaheim assisted with development for a flat fee of $2,000.
- Administrative Services: TRG will also provide administrative services for the amount not to exceed 13% of payment earned.
- Training Vendors: Chrysler Corporation of Ontario will provide Commercial Skills training. Other trainers will be identified for ETP recordkeeping purposes as they are retained by the Contractor.

OVERVIEW

Founded in 1982, Dennis Silletto & Associates dba Glendora Chrysler Jeep Dodge (GCJD) (www.glendorachryslerjeepdodge.com) is an independently owned auto dealership, operating as a franchise of Chrysler Corporation. The Company qualifies as a Small Business under ETP guidelines. In addition to auto and parts sales nationwide, GCJD also offers car repair services. This will be the Company's first ETP Agreement.

The Company deals in new and used vehicles. According to GCJD, consumer demand can vary significantly from year-to-year. This is due to a variety of factors including changing economic conditions, inflation and fuel prices. Sales for particular brands or styles are especially vulnerable to evolving consumer preferences. The growing popularity of Internet sales has created increased competition for car dealerships.

In similar fashion, GCJD is affected by growing competition in the service segment from fast oil change outlets, tire stores and independent service centers. Competitive chains specializing in a particular part or service often offer lower prices and more convenient locations. As vehicles become more complex and sophisticated, service jobs have become more challenging. Technicians need strong math skills, and training in electronics, computers and analysis.

As such, GCJD needs to invest in training to help staff better understand consumer engagement, and the application of traditional car selling experiences to marketing on the Internet. ETP funding will support the development of an educated and well-trained workforce for GCJD.

Training Plan

Business Skills (48%) – Training will be offered to Administration, Sales Staff, Service Writers and Managers to improve skills working with customers. Most customers are resistant to a salesperson who is only interested in closing the sale. Training will help staff change this "conditioned customer response" to have customers find buying a car a warm, comfortable experience from the first introduction to the delivery of the vehicle.

Commercial Skills (52%) – Training will be offered to Service Writers, Managers and Mechanics to better understand the complexities of repair, and to complete work orders. Service Writers have to understand customer complaints to accurately describe the problem to the Mechanic. Mechanics need to analyze the problem described by the Service Writer to properly perform the tests needed, determine the exact problem, and then request the correct parts from the parts department. Mechanics will learn to install parts, and run tests to ensure quality outcome.

Modifications

Special Employment Training

Under Special Employment Training **(**SET), the participating employer is not required to demonstrate out-of-state competition. Trainees must earn at least the statewide average hourly wage of $27.40 at the end of the retention period.

Other Compensation

Mechanics and Sales Staff receive bonuses that are a normal, recurring part of employee compensation. Bonuses have ranged from $8.00 to $36.00 per hour over the past 12 months, with the average bonus amount being $16.00 per hour. The dollar amount of bonuses, wages, and health benefits must be at least equivalent to the ETP SET wage requirement of $27.40.

Contract Term Limitation

GCJD is requesting an additional 12 months (24 months total) to the agreement term. The additional 12 months will enable the Company to adequately handle potential workload fluctuations, and reduce any production impacts due to increase in sales and service demands. As the majority of the training takes place at the Chrysler Factory Training Center in Ontario, the required courses are not always scheduled in advance. When the courses are offered, GCJD has to take staff off the shop floor to send them for training. As a result, work is delayed, and it can take weeks to recover. This increased flexibility will support planning and scheduling, and complement overall business operations.

Training Hours Limitation

Mechanics and Sales Staff will need up to 100 hours of training, given the robust sales objectives. Mechanics also require constant training, to stay up to date on new product changes. The remaining trainees will receive an average of 60 hours of training across all training topics.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-100 Trainees may receive any of the following:

BUSINESS SKILLS

- Advanced Media
- Chrysler Jeep Dodge Ram Live Target Training
- Customer Relations
- Delivering on Delivery
- Human Resources
- PBS System (Accounting)
- Sales

COMMERCIAL SKILLS

- 4 Wheel Drive/All Wheel Drive Service
- Body System Diagnosis and Repair
- Diesel Engine Repair
- Electrical Systems
- Engine Repair
- Heating and Cooling Systems
- Service Department Administration
- Transmission and Power Train

Note: Reimbursement for retraining is capped at 100 total hours per-trainee, regardless of method of delivery.