



DELEGATION ORDER

**Retrainee - Job Creation
Training Proposal for:
Digital Doc LLC**

Small Business \leq \$50,000

ET15-0386

Approval Date: February 2, 2015

ETP Regional Office: Sacramento

Analyst: M. Mazzone

CONTRACTOR

- Type of Industry: Manufacturing
Priority Industry: Yes No
- Number of Full-Time Employees
California: 25
Worldwide: 43
Number to be trained: 25
Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 1%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$31,954
- In-Kind Contribution: \$27,508

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	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	21	8 - 60	0	\$1,274	\$15.07
				Weighted Avg: 49			
2	Retrainee Job Creation Initiative Priority Rate SB<100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	4	8 - 60	0	\$1,300	\$12.33
				Weighted Avg: 50			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): El Dorado
- Occupations to be Trained: Production Staff, Technical Support Staff, Sales Staff, Engineer, Administrative Staff, Customer Service Representative, Shipping Staff, Manager, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #'s 1 & 2: \$1.28 per hour

SUBCONTRACTORS

- Development Services: Sierra Consulting Services in Cameron Park assisted with development of this project for a flat fee of \$3,100.
- Administrative Services: Sierra Consulting Services will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

Introduction

Digital Doc LLC (Digi-Doc) was formed in 2004 when the current owners purchased the original Digital Doc, Inc. from California venture capitalists. Digi-Doc manufactures FDA-registered Intra-oral Cameras (IOCs). IOCs are best used to show patients a clear picture of the inside of

their mouth, where the dentist can immediately consult the patient on treatment options. Digi-Doc is the industry leader in innovation, design, quality and customer service.

The technology for IOCs is highly driven by cell phone technology and this advancement has stimulated the development and the releasing of new IOC products. In August 2007, Digi-Doc introduced ICON, a USB2.0 digital camera to the dental industry. Since 2007 Digi-Doc has sold more IOC units in North America than any other company. Data collected from the third quarter 2014 indicates that Digi-Doc's IOC sales were approximately 48% of all IOC sales in North America. Digi-Doc's customers include Dental practitioners and distributors servicing the dental supply industry.

Need for Training

In October 2014 Digi-Doc organized a soft release of a new IOC product called IRIS, which has become an instant success with dentists. Digi-Doc expects the full release of the IRIS IOC to occur in February 2015. The IRIS product has the most advanced focus design, which creates the finest high definition (HD) digital images of any IOC supporting a USB2.0 format. Production, repair, and Inventory control procedures will be re-tooled to improve efficiencies to ensure that Production Staff and Shipping Staff are able to meet the anticipated high demand.

The competitors of Digi-Doc have production facilities located overseas, which make it extremely difficult for Digi-Doc to remain competitive on price; therefore, Digi-Doc is focusing on quality and customer service. Staff will require training on customer service skills and troubleshooting skills to meet company goals of exceptional customer service. In addition, dental practitioners use multiple brands of Medical Practice Management software. Digi-Doc's staff needs training to better understand the integration methods of their product with the various Practice Management software used by customers.

Retrainee - Job Creation

Digi-Doc is in growth mode, with steadily increasing sales. In both 2013 and 2014, Digi-Doc experienced a growth of 16% and their growth is expected to continue. Due to its expanding existing business capacity, Digi-Doc has created new positions and has committed to hiring 4 new employees (Job Number 2). The new positions will fill needs in the Production, Technical Support and Customer Service departments.

The Panel offers incentives to companies that commit to hiring new employees - Trainees will be subject to a lower post-retention wage. The date-of-hire for trainees will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Retrainees and Job Creation trainees will receive between 8–60 hours of classroom/laboratory training in the below training types:

Business Skills – Training will be provided to all occupations within the Company. The goal of business skills training is to enable the Company to stand above their competition by providing exceptional customer service, with each staff member being efficient in their role. Training will include Business Communications, Behavior Style Strategies, Conflict Resolution, Dealing with Difficult People, Leadership Skills, Strategic Planning, Troubleshooting, Project Management and Time Management.

Commercial Skills – Training will be provided to Engineer, Managers and Owner to expedite product innovation. Due to constant improvements in technology, staff will require training on innovation and design to ensure that the Company's products are consistent with technological advancements in the industry. Training course topics will include Engineering Theory and Planning Design.

Computer Skills – Training will be provided to Engineer, Technical Support Staff, Sales Staff and Managers to improve database skills and processing efficiencies. In addition, customers use various Practice Management software programs, and staff will need training on the integration of Digital Doc's product with the customers' software. Training topics will include SQL Server (Management Studio) and Crystal Reports.

Continuous Improvement – Training will be provided to all occupations. Training will include Cross Training, Change Management, Lean Procedures/Practices, Production Operations/Workflow, Process Improvement, and System Failure Analysis. Training will focus on upgrading the internal processes of production, customer service, shipping, technical support and sales within Digi-Doc. With high expectations of demand when their new product (IRIS) is fully released in February 2015, Digi-Doc will train staff on new processes company-wide to ensure that Digi-Doc's prime directive, "Be efficient without compromising quality," is met.

Manufacturing Skills – Training will be provided to Engineer, Production Staff, Shipping Staff, Technical Support Staff and Managers. Training will include Assembly Process Control, Assembly Procedures, and Inventory Control. With the launch of a new product coming in February 2015, all staff will need to learn the new components and product specifications.

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

- ❖ Behavior Style Strategies
- ❖ Conflict Resolution
- ❖ Dealing with Difficult People
- ❖ Leadership Skills
- ❖ Strategic Planning
- ❖ Time Management
- ❖ Project Management
- ❖ Business Communications

COMMERCIAL SKILLS

- ❖ Engineering Theory
- ❖ Planning Design

COMPUTER SKILLS

- ❖ Crystal Reports
- ❖ SQL Server (Management Studio)

CONTINUOUS IMPROVEMENT

- ❖ Cross Training
- ❖ Change Management
- ❖ Lean Procedures/ Practices
- ❖ Production Operations/ Workflow
- ❖ Process Improvement
- ❖ Systems Failure Analysis

MANUFACTURING SKILLS

- ❖ Assembly Process Control
- ❖ Assembly Procedures
- ❖ Inventory Control

Safety Training cannot exceed 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.