



**Training Proposal for:
Evy of California, Inc.
Agreement Number: ET15-0242**

Panel Meeting of: July 25, 2014

ETP Regional Office: North Hollywood

Analyst: M. Webb

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate HUA Job Creation Initiative	Industry Sector(s):	Manufacturing 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: 152	U.S.: 172	Worldwide: 172
<u>Turnover Rate:</u>	16%		
<u>Managers/Supervisors:</u> (% of total trainees)	14%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$182,840		\$0	\$0		\$182,840

In-Kind Contribution:	100% of Total ETP Funding Required	\$342,924
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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, Commercial Skills, Computer Skills, Continuous Impr, HazMat, Literacy Skills, Mgmt Skills, Mfg Skills	91	8-200	0-16	\$1,080	\$16.04
				Weighted Avg: 60			
2	Retrainee HUA Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, HazMat, Literacy Skills, Mgmt Skills, Mfg Skills	32	8-200	0-16	\$1,080	\$12.03
				Weighted Avg: 60			
3	Retrainee Job Creation Initiative	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, HazMat, Literacy Skills, Mgmt Skills, Mfg Skills	25	8-200	0-16	\$2,000	\$13.37
				Weighted Avg: 100			

Minimum Wage by County: Job Number 1: \$16.04 in Los Angeles County
 Job Number 2 (HUA): \$12.03 in Los Angeles County.
 Job Number 3 (Job Creation): \$13.37 in 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

Up to \$1.03 per hour for Job Number 2 and up to \$2.37 per hour for Job Number 3 may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
JOB NUMBER 1		
Purchasing Staff		1
Pattern & Sample Makers		20
Receiving & Inventory Control Staff		1
Shipping		8
Designer		3

Graphic Designer		12
Billing Staff		2
Clerical Staff		2
Logistics Worker		1
Manager		15
Sales & Support Staff		8
Technical Design Staff		3
Sourcing & Imports Staff		10
MIS Support & Training Staff		4
Maintenance		1
JOB NUMBER 2		
Purchasing Staff		1
Pattern & Sample Makers		5
Receiving & Inventory Control Staff		1
Shipping		6
Designer		5
Graphic Designer		2
Billing Staff		1
Clerical Staff		2
Logistics Worker		2
Manager		2
Sales & Support Staff		5
JOB NUMBER 3		
Shipping		1
Purchasing Staff		1
Pattern & Sample Makers		1
Designer		7
Graphic Designer		7
Logistics Worker		1
Sales & Support Staff		1
Technical Design Staff		6

INTRODUCTION

Founded in 1948, Evy of California, Inc. (Evy of CA) designs, manufactures, and distributes kids and junior apparel. Evy of CA specializes in branded collections (it currently holds U.S. licenses for Disney, Mattel, Sanrio, and Hasbro) and operates four of its own brands. Evy of CA apparel is sold in retailers such as Macy's, Target, Wal-mart, Costco, and The Childrens's Place. The Company is headquartered in the city of Los Angeles and has operations in the City of Commerce, Seattle, New York, and Canada (Evy Canada). Training under this Agreement will take place at both California locations.

Evy of CA is looking to expand business. The Company has had a history of success in girl's fashion and is looking to improve its boy's line. To do so, the Company has launched an all new

collection for boys. Preliminary sales have been promising, leading to forecasts that the Company will be double their sales volume over the next five years. Additionally, the Company recently experienced an increase in export sales which has increased production levels. In order to meet the increased production levels, the Company must train its staff on efficiency while keeping costs to a minimum. To accomplish this the Company has developed a training plan to increase employee skill set. The training plan will equip staff with the skills needed to handle higher productivity levels, improve product knowledge and communication skills, and reduce overall employee turnover.

Retrainee - Job Creation

The Panel is offering incentives to companies that commit to hiring new employees. Training for newly-hired employees is reimbursed at a higher rate, and trainees are subject to a lower post-retention wage.

To meet demand and continue expansion efforts, Evy of CA has committed to hiring 25 new employees (Job Number 3). The Company's push into boys' clothing has increased sales with the Company forecasting a major increase. Consequently, the Company will need to hire to meet the new demand and also to prepare for a big increase. Designers will be hired to bring new design ideas to the Company. Other occupations will be hired as needed (Shipping, Logistics, Sales & Support, etc.). To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

PROJECT DETAILS

Training Plan

Training will be delivered by in-house staff.

Business Skills (20%): Training will be offered to all occupations to increase productivity and revenue. Courses provided will ensure employees are able to assess and analyze project cost, handle inventory/quality control, and improve customer service skills.

Literacy Skills (5%): Training will be offered to Shipping and Billing Staff. Training will improve communication amongst staff and customers located worldwide. Vocational courses will help employees better understand work related duties such as processing work orders and comprehending shipping & receiving documents.

Commercial Skills (15%): Training will be offered to Designers, Graphic Designers, Managers, Pattern & Sample Makers, and Technical Designers. Trainees will learn new procedures in cutting & sewing as well as licensing guidelines.

Management Skills (10%): Training will be offered to Managers in all departments at Evy of CA. Through Management Skills training, Managers will learn how to communicate and delegate more effectively.

Computer Skills (20%): Training will be offered to all occupations to ensure employees are able to utilize computer programs/software used by the Company. Trainees will receive training in Data Administration which consist of cloud computing, database building and network structures and software such as Microsoft Office, Cloud Computing, and an Enterprise Resource Planning System to manage production and warrant efficiency.

Manufacturing Skills (10%): Training will be offered to Pattern & Sample Makers, Shipping Staff, Receiving & Inventory Control Staff, and Sourcing & Imports Staff. Trainees will learn new skill sets that can improve performance in areas such as logistics; staff will receive training in corrective procedures, equipment operation, product knowledge, and production.

Continuous Improvement (10%): Training will be offered to all occupations to elevate employee skills, knowledge, and abilities. Courses to be provided include Operations, Compliance, and retail sales planning.

Hazardous Materials (5%): Training will be offered to Maintenance, Shipping, Designers, Graphic Designers, and Sourcing & Imports Staff. This training will ensure proper handling of waste disposal such as inks and dyes used to make clothing.

Computer-Based Training (5%)

Trainees may receive up to 16 hours of training delivered through Computer-Based Training (CBT). Trainees will learn how to navigate *QlikView*, an application software program used to analyze and report data for possible improvements in business operations.

High Unemployment Area

The 32 trainees (Job Number 2) work in Los Angeles County, a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. 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. The Company requests the full 25% wage modification (from \$16.04 to \$12.03) for these trainees.

Commitment to Training

Training at Evy of CA is provided to all departments and is company-wide and job specific. The Company spends \$50,000 annually in mandatory training. Staff will continue to receive cross-training in other areas within the scope of their job functions after the ETP-funded training. Training in inventory/quality control, hazardous materials, product knowledge, and computer skills are provided to employees on an on-going basis. ETP-funded training will supplement, not replace, training that is already provided.

Evy of CA 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

A Corporate Training Manager will assist with administration of this project. Duties will include coordinating training schedules, tracking and verifying data, and reviewing documentation prior to submission for approval. Evy of CA has also hired a third party consultant to provide administrative services.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Evy of California retained JVS Business Development in Los Angeles to assist with development of this proposal for a flat fee of \$16,300.

ADMINISTRATIVE SERVICES

Evy of California also retained JVS Business Development in Los Angeles to perform administrative services in connection with this proposal for a fee not to exceed 13% 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

- Communication Skills
- Customer Service
- Import/Export Production
- Order Processing
- Process Integration
- Production Scheduling
- Production Planning

COMMERCIAL SKILLS

- Cut & Sew Procedures
- Chemical Handling
- Licensing Guidelines
- Tracking

COMPUTER SKILLS

- Data Administration
- ERP Software
- Patterning (Digital Patternmaking)
- Reporting
- Website Administration
- Usage Implementation

CONTINUOUS IMPROVEMENT

- Inventory - Quality Control/Inventory Control
- Leadership Production
- Operations
- Production
- Retail Sales Planning

HAZARDOUS MATERIALS

- Waste Disposal

LITERACY SKILLS*

- Labeling, Importing, and Distributing
- Vocational English
 - Reading Work Orders
 - Safety Regulations
 - Shipping & Receiving Documents
 - Internal Communication (Verbal Direction/Instruction)

MANAGEMENT SKILLS (for Managers only)

- Compliance
- Team Building
- Project Management

MANUFACTURING SKILLS

- Corrective Procedures
- Equipment Operation
- Inventory Control
- Logistics
- Product Knowledge

*Literacy Training cannot exceed 45% of total training hours per-trainee

CBT Hours

0-16

COMPUTER SKILLS

- QlikView Designer Reporting (8 hrs)
- QlikView Developer Reporting (8 hrs)

Note: Reimbursement for retraining is capped at 200 total hours per trainee, regardless of method of delivery. CBT is capped at 50% of total training hours, per trainee.