



RETRAINEE - JOB CREATION

Training Proposal for:

GreatCall, Inc.

Agreement Number: ET16-0318

Panel Meeting of: January 22, 2016

ETP Regional Office: San Diego

Analyst: J. Davey

PROJECT PROFILE

| | | | |
|-------------------------------------------------------|---------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------|
| Contract Attributes: | Job Creation Initiative Priority Rate Retrainee | Industry Sector(s): | Services Technology/Other Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served: | San Diego | Repeat Contractor: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Union(s): | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| Number of Employees in: | CA: 573 | U.S.: 925 | Worldwide: 925 |
| <u>Turnover Rate:</u> | 10% | | |
| <u>Managers/Supervisors:</u> (% of total trainees) | 6% | | |

FUNDING DETAIL

| | | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------|-----|-----|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$261,000</td></tr> </table> | Program Costs | \$261,000 | - | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table> | (Substantial Contribution) | (High Earner Reduction) | \$0 | \$0 | = | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Total ETP Funding</td></tr> <tr><td style="text-align: center;">\$261,000</td></tr> </table> | Total ETP Funding | \$261,000 |
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| \$0 | \$0 | | | | | | | | | | | |
| Total ETP Funding | | | | | | | | | | | | |
| \$261,000 | | | | | | | | | | | | |

| | | |
|------------------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$344,532 |
|------------------------------|------------------------------------|-----------|

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 Impr | 250 | 8-200 | 0 | \$900 | \$16.46 |
| | | | | Weighted Avg: 50 | | | |
| 2 | Retrainee Job Creation Initiative Priority Rate | Business Skills, Computer Skills, Continuous Impr | 30 | 8-200 | 0 | \$1,200 | \$14.30 |
| | | | | Weighted Avg: 60 | | | |

Minimum Wage by County: Job Number 1 – San Diego County: \$16.46/hr.;

Job Number 2 – San Diego County: \$13.72/hr.

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 \$1.63 per hour may be used to meet the Post-Retention Wage.

Other Compensation: Incentive pay (“bonus”), which is a normal, recurring part of GreatCall’s employee compensation for all occupations, may be used, in addition to health benefits, for some trainees to meet the ETP minimum wage. Over the previous twelve months the bonus amount ranged from .15 to \$19.93 per hour. The average bonus amount was \$1.61 per hour. Approximately 50 Sales and Customer Service Staff may need incentive pay, in addition to health benefits to meet the ETP minimum wage.

Wage Range by Occupation

| Occupation Titles | Wage Range | Estimated # of Trainees |
|------------------------------------|------------|-------------------------|
| Job Number 1 | | |
| Customer Service Staff | | 162 |
| Managers | | 14 |
| Quality Assurance Staff | | 23 |
| Sales Staff | | 23 |
| Support Staff | | 15 |
| Technical Staff | | 13 |
| Job Number 2 – Job Creation | | |
| Customer Service Staff | | 13 |
| Managers | | 3 |
| Quality Assurance Staff | | 3 |
| Sales Staff | | 5 |
| Support Staff | | 1 |
| Technical Staff | | 5 |

INTRODUCTION

GreatCall, Inc. (GreatCall), founded in 2006 and headquartered in San Diego, develops and provides web-based health-related products, software, and services. The product line, sold directly to consumers through retailers and online, includes cell phones and accessories. GreatCall is best known for its Jitterbug® cell phones, with easy-to-read numbers and menu. These phones are equipped with an array of health and well-being software, designed for senior citizens. The Company also provides customer support and emergency assistance services through its inbound Call Center in Carlsbad, which is the subject of this second ETP proposal and where training will take place.

PROJECT DETAILS

This will be GreatCall's second Agreement within the last five years. Training in the first project focused primarily on newly-hired trainees. (91% of the total reimbursable training hours) It focused primarily on Business Skills (99% of training hours were delivered in Business Skills).

For this proposal, the Company is planning to release a new version of Jitterbug® including an updated flip-phone and a new smart phone. These new phones will have larger screens, along with new hardware features such as Bluetooth Low Energy. There will be a new body design and updates to the Internal Operating System. The Company's point-of-service and back-end systems are also being updated to support the new phones. This will require additional supplemental training for GreatCall's frontline workforce to understand the differences in features in order to educate customers.

Additionally, GreatCall will offer training on new products and services including:

- Automatic Fall Detection, with a Five-Star Urgent Response Service;
- Link Application Upgrade, providing critical information to family members and caregivers in real-time;
- Technical Customer Service, to help elderly customers understand and use the products and services.

This proposal will also contain courses that were included in the first project. However, the content of these courses has been updated since the last Agreement and will only be provided to employees who have not previously received this training.

Retrainee - Job Creation

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

GreatCall is expanding its products and services, due to the increasing senior citizen population, to meet increasing demand. GreatCall has committed to hiring 30 new employees. To be eligible for reimbursement, the trainees must be hired within the three-month period in net-new jobs prior to Panel approval or during the term of contract.

Temporary to Permanent Hiring

All 30 trainees in Job Number 2 (Job Creation) meet Panel guidelines for "temporary to permanent" employment. The Company states that it uses a temporary staffing agency to facilitate screening of new hires for its call center. GreatCall has retained these employees with

the intention of hiring them into full-time, permanent positions after training is completed. All of these trainees will receive 4 weeks of training upon beginning work at GreatCall, in order to serve customers as soon as possible. They are typically hired on as full-time, permanent employees after 90 days as temps. They are not eligible for health benefits from GreatCall while employed with the temporary agency. However, once hired as full-time employees, they are eligible for health benefits on the first day of the month after their hire date.

Under the temp-to-perm program, trainees are eligible to participate while on payroll with the temporary agency. However, retention and post-retention wage requirements cannot be met until after trainees have been hired by GreatCall. Until then, GreatCall will not receive progress payments.

Training Plan

Training will take place at GreatCall's facility in Carlsbad as outlined below:

Business Skills (50%) - All occupations will receive training in the following skills as they relate to their job functions: Finance/Accounting, Account Activation/Billing, Customer Service, Emergency Services, and other skills. Trainees will be able to perform their job functions and provide consistently excellent customer service.

Computer Skills (25%) – All occupations will receive Computer Skills based on the systems they utilize in their daily job function. Newly hired employees will receive training in all GreatCall systems to enable them to effectively perform their job function which includes Customer Relationship Management System Skills, GreatCall Customer Service Portal, and Oaysis Call Recording/Monitoring System. All occupations need adequate training to operate various desktop tools to increase output and accuracy.

Continuous Improvement (25%) - All occupations will receive training in areas such as Change Management, Effective Time Management Skills, Leadership/Coaching Skills, and Project Management Skills to work efficiently. Training will improve company efficiencies and productivity by implementing improved processes throughout the organization.

Commitment to Training

ETP funds will not displace the Company's 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. GreatCall provides ongoing training including basic job skills, telephone etiquette, new employee orientation, anti-harassment, stress management, drug and alcohol abuse in the workplace, ADA requirements in the workplace, business ethics, diversity, managing within the law, and training on the Sarbanes-Oxley Act. For 2016, GreatCall expects to spend \$1 million in employee training.

➤ Training Infrastructure

The Company has dedicated training and administrative staff to support this proposal. Additionally, Training Funding Partners will assist with administration.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by GreatCall under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term | Approved Amount | Payment Earned | |
|---------------|-----------------|-------------------------|-----------------|----------------|--------|
| | | | | \$ | % |
| ET14-0135 | Carlsbad | 8/26/2013– 8/25/2015 | \$205,360 | \$205,360 | (100%) |

DEVELOPMENT SERVICES

GreatCall retained Training Funding Partners in Fountain Valley to assist with development of this proposal for a flat fee of \$12,500.

ADMINISTRATIVE SERVICES

GreatCall also retained Training Funding Partners 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

- Finance/Accounting Skills
- Account Activation and Billing Processes
- Customer Service Skills for the Aging Population
- EMD (Emergency Medical Dispatch)/EPD (Emergency Police Dispatch)
- Consultative Marketing/Sales Skills
- New/Updated Technology and Products
- Technical Product Support

COMPUTER SKILLS

- Ceridian - New Payroll System
- Customer Relationship Management (CRM) System Skills
- Customer Service Portal
- Intermediate/Advanced Microsoft Word, Excel, PowerPoint
- Microsoft Project
- Oaysis Call Recording/Monitoring System
- Spiralinks – New Employee Review System

CONTINUOUS IMPROVEMENT

- Change Management Skills
- Effective Time Management Skills
- Leadership/Coaching Skills
- Process Improvement Skills
- Project Management Skills
- Team Building Skills

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| Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery |
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