



**Retrainee - Job Creation  
Training Proposal for:  
Harveys Industries, Inc.**

<b>Small Business ≤ \$50,000</b>
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**ET15-0423**

**Approval Date:** April 15, 2015

**ETP Regional Office:** San Diego

**Analyst:** S. Godin

**CONTRACTOR**

- Type of Industry: Manufacturing
  
- Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 53
  - Worldwide: 53
  - Number to be trained: 47
  - Owner  Yes  No
  
- Out-of-State Competition: Customers Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 13%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$47,762
- In-Kind Contribution: \$25,000

**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 Priority Rate	Business Skills Computer Skills Continuous Improvement Manufacturing Skills	44	8-60	0	\$988	\$16.02
				Weighted Avg: 38			
2	Retrainee Job Creation SB<100 Priority Rate	Business Skills Computer Skills Continuous Improvement Manufacturing Skills	3	8-60	0	\$1,430	\$13.35
				Weighted Avg: 55			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
  
- County(ies): Orange
- Occupations to be Trained: Administration/Operations Staff, Production Personnel, Marketing/Creative Design Staff, Sales/Customer Service Staff, Inventory/Warehouse Staff, Manager
  
- Union Representation:  Yes  
 No
  
- Health Benefits: Job #'s1 & 2: \$2.18 per hour

**SUBCONTRACTORS**

- Development Services: Training Funding Source in Seal Beach assisted with development of this project for a flat fee of \$2,800.
- Administrative Services: Training Funding Source will also assist with administration for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Harveys Industries, Inc. (Harveys) is a Southern California based design and manufacturing business founded in 1987 by Dana and Melanie Harvey. The Company’s corporate office and design center operates from a 12,000-square-foot facility in Santa Ana. The Company plans to open retail sales from the same facility soon. The product line includes handbags, laptop totes, carry-on and overnight bags, wallets, and other accessories are manufactured from new and recycled seatbelt material.

Harveys recently completed its first ETP-funded project in which 52 employees were introduced to the basic concepts of process improvement, customer service, marketing techniques, lean manufacturing, and leadership skills. The proposed training plan will continue to build upon the basic skill sets acquired in the first project through the delivery of more advanced training topics.

Harveys is scheduled to open its new factory-retail space in April 2015. This will be the culmination of Company's branding re-direction and market segmentation efforts, which began within the last year. To attract a more trendy and upscale clientele, the Company is adding new silhouettes, colors, and mixed materials to its bags and accessories. This includes a clutch in vinyl and canvas with gold trim inspired by Disney Little Golden Books; and a completely new look for men's messenger bags and briefcases.

(Harveys states that it has gained over one million dollars in new sales from a contract with Disney authorizing use of their artwork. Additional expansion plans include partnering with J. Crew and Urban Outfitters, and increasing Internet sales through Amazon and Zappos websites.

The Company's re-branding efforts will require new skill sets for its staff. Production Personnel (pattern makers, cutters, sewers, and assemblers) must learn to work with different materials/fabrics, and new cutting tools. Selected Operations Personnel will be trained in sales forecasting, production planning, and "bill of materials" management in an effort to reduce costly production mistakes. Sales/Customer Service Staff will receive training in the new point-of-sale software. The Company's plan to further increase its on-line presence will also require new skill sets for selected Marketing and Design Staff in digital photography, videography and typography.

### **Retrainee - Job Creation**

Through its rebranding efforts and new retail space, Harveys has the potential to increase its customer base exponentially over the next two years. To support this expansion, Harveys has committed to hiring at least three new full-time workers (one Inventory/Warehouse Staff and two Sales/Customer Service Staff). The new employees will require extensive training to develop the requisite skills needed to facilitate projected growth.

The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

No trainee will receive training topics they received in the prior agreement.

**Business Skills** – Training will be offered to all occupations. Managers and Sales/Customer service Reps will receive advanced sales/marketing skills and product knowledge to address the Company's expanded customer base and new market segmentation with acumen. Sales Reps will also receive skill sets needed to close and up-sell a higher percentage of sales calls and on-line orders. All occupations will receive communication and team cohesiveness training to improve interactions with both internal and external customers. Managers and selected administrative and operations staff will receive skills training in topics such as budgeting, job costing, purchasing, project management and business development skills.

**Computer Skills** - Selected employees across all occupations will receive training in various computer software programs as it relates to their specific job function. Sales Staff, Marketing Staff and R&D/Design Staff must become more adept in the use of Social Media, blogging, search engine optimization and e-commerce skills to improve the Company's online presence. Training in Constant Contact Sales Software (an on-line suite of social media monitoring tools) will allow Sales and Marketing Staff to spearhead email marketing campaigns. Production Personnel and Creative Design Staff will receive advanced training in Adobe Photoshop/Illustrator, InDesign Software, digital photography skills and advanced website design. Administrative/Operations Staff and select Managers will receive training in Quickbooks.

**Continuous Improvement** - Training will be offered to all occupations. A variety of training topics will build upon the skills acquired in the previous ETP Agreement. Training will further streamline processes and improve efficiencies throughout the organization and give workers the effective leadership and critical thinking skills needed to manage performance and process improvements, think strategically, and set appropriate goals for themselves and the organization. Training will allow both frontline workers and Managers/Supervisors to lead process improvement teams and manage and direct the work of subordinates.

**Manufacturing Skills** - Production Personnel and select Managers will receive training in topics such as equipment operation, maintenance & troubleshooting; good manufacturing processes; pattern making and inspection techniques. Competency in these topics will enable employees to improve production processes and reduce waste.

### **Trainers/Training Schedule**

Training will be delivered by a combination of in-house personnel and training vendors who have not yet been selected. A training schedule for the first three months of training will be submitted to the monitoring analyst at the start-up meeting.

### **Modifications - Term Length**

Harveys is requesting a 24-month Agreement term. This is due to its business cycle (summer is when Harveys manufactures the bulk of its merchandise for Christmas, orders; as such, little training will take place from June through August). A two year term will allow the Company to balance training and production needs, and recruit for Job Creation.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0230	Santa Ana	12/19/12- 12/18/14	\$49,764	\$49,764 (100%)

**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
  - Suspecting, Prospecting & Closing
  - Sales Account Management
  - Advanced Closing Techniques
  - Sales Procedures & Strategies
- ◆ Sales Forecasting
- ◆ Product Knowledge
- ◆ Negotiation Skills/Conflict Resolution
- ◆ Communication Skills
- ◆ Presentation Skills
- ◆ Budgeting/ Finance Principles
- ◆ Business Writing Skills
- ◆ Job Costing & Purchasing Procedures
- ◆ Team Cohesiveness
- ◆ Time Management
- ◆ Business Development/Project Management
- ◆ Digital Photography Skills

**COMPUTER SKILLS**

- ◆ Adobe Photoshop/Illustrator/InDesign Software Updates
- ◆ Basecamp - project management software
- ◆ Constant Contact software
- ◆ Shop Keep (Point of Sale Software)
- ◆ E-Commerce
- ◆ MS Office
- ◆ Quickbooks
- ◆ Search Engine Optimization
- ◆ Social Media (Facebook/Tumblr/Pinterest/Twitter, etc.)
- ◆ Survey Monkey software (used to evaluate performance)
- ◆ Travelers/Bill of Materials Management Software
- ◆ CSS/HTML Coding P

### **CONTINUOUS IMPROVEMENT**

- ◆ Inventory Control
- ◆ Standard Operating Procedures
- ◆ Process/Productivity Improvement
- ◆ Quality Improvement
- ◆ Statistical Process Control
- ◆ 5S
- ◆ Lean Manufacturing
- ◆ Scrap Reduction Techniques
- ◆ Zero Waste Methodologies
- ◆ Set-up Time minimization
- ◆ Material Flow Analysis

### **MANUFACTURING SKILLS**

- ◆ Equipment Operation/Trouble Shooting/Preventive Maintenance
- ◆ Good Manufacturing Practices (GMP)
- ◆ Inspection techniques
- ◆ Pattern Making
- ◆ Commercial Photography Skills

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

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