



**Retrainee – Job Creation**  
**Critical Proposal for:**  
**Hyundai Capital America**  
**Agreement Number: ET16-0142**

**Panel Meeting of:** August 28, 2015

**ETP Regional Office:** San Diego

**Analyst:** S. Godin

**PROJECT PROFILE**

Contract Attributes:	Critical Proposal Job Creation Initiative Retrainee	Industry Sector(s):	Financial Services Services  Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Orange	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: 1,500	U.S.: 6,400	Worldwide: 80,000
<u>Turnover Rate:</u>	14%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$514,800		\$0	\$0		\$514,800

In-Kind Contribution:	100% of Total ETP Funding Required	\$600,000
-----------------------	------------------------------------	-----------

**TRAINING PLAN TABLE25**

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 Critical Proposal	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	575	8-200	0-30	\$864	\$20.31
				Weighted Avg: 48			
2	Job Creation Initiative Retrainee	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	15	8-200	0-30	\$1,200	\$20.31
				Weighted Avg: 60			

**Minimum Wage by County:** Job Number 1: \$16.02 per hour in Orange County; Job Number 2 (Job Creation): \$13.35 per hour in Orange 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

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Analyst I		200
Analyst II		200
Analyst III		70
Manager I		50
Manager II		50
Manager III		20

**Critical Proposal**

The Governor's Office of Business and Economic Development (Go-Biz) have designated this project as a Critical Proposal. The Critical Proposal designation is based on Hyundai Capital America (HCA) expanding within California through the addition of new jobs and plant expansion.

**INTRODUCTION**

Formed in 1989, HCA ([www.hyundaicapitalamerica.com](http://www.hyundaicapitalamerica.com)), a subsidiary of Hyundai Motor America, is the finance arm of Hyundai Motor Corporation. Headquartered in Irvine, with operation centers in Dallas and Atlanta, HCA provides loan financing for two brands: Hyundai Motor Finance and Kia Motors Finance. Its financing solutions include dealer inventory and facility financing; indirect vehicle financing; leasing solutions; and vehicle protection plans.

HCA reports that it has experienced tremendous growth over the past five years in assets, financing revenue and the number of retail customers. Assets have doubled from \$14 billion to \$28 billion; financing revenue has grown from \$1.14 to \$2.85 billion during the same period, and retail customers now number over one million. HCA is currently challenged by the fact that its current California facilities are no longer adequate to support its volume of business. Therefore, HCA is planning to relocate and consolidate into a larger corporate facility in Newport Beach beginning in August 2015 with relocation completed in September 2015. The Irvine location will continue to be used until 2019. In addition, although HCA previously outsourced certain customer service and support jobs, it is bringing those functions in-house throughout this CY2015.

## **PROJECT DETAILS**

The training emphasis in this proposal is on companywide implementation of two software programs: Ariba e-Procurement system (Ariba) and Apptio IT Planning Foundation (Apptio). Both systems replace older in-house legacy systems.

Ariba is an ERP platform that will streamline the procurement process by electronically connecting HCA with its vendors. This should result in faster supplier sourcing, credit approvals, invoice processing and standardized contracting. The software will impact operations across all departments. The Apptio IT Planning Foundation software is a finance/accounting tool that will improve budgeting, planning, and financial performance reporting processes. Ariba launched in July 2015 and Apptio is scheduled for implementation during the fourth quarter of 2015.

HCA has also identified the need to manage its growth through high performance work teams and standardizing operating procedures. Previously outsourced internal and external service support functions will require training to provide faster resolutions and maximize efficiencies.

### **Retrainee - Job Creation**

HCA states that it plans to hire over 100 full-time workers while expending over \$105 million in new investments over the next five years. In this proposal, HCA has committed to hiring at least 15 net new full-time workers during the term of the proposed ETP Agreement to support the new customer service (business) functions being brought in-house. The new employees will require extensive training to develop the requisite skills needed to perform the new business functions.

HCA represents that the date-of-hire for all trainees in the Job Creation program (Job Number 2) will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

### **Temporary to Permanent Hiring**

HCA estimates that seven trainees in Job Number 2 (Job Creation) will fall under Panel guidelines for "temporary to permanent" employment. HCA will retain these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training. These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on the payroll with the temporary agency (Unemployment Insurance Code Section 10201(c)). The retention and post-retention wage requirements cannot be satisfied until after they have been hired.

### **Training Plan**

All training will be delivered by in-house experts in the following:

**Business Skills (5%):** Training in Business writing, project management and facilitator training will be offered to all occupations as it relates to individual job function. These skills sets will improve operational efficiency.

**Commercial Skills (60%):** Training will be offered to all occupation to ensure staff has an in-depth understanding of HCA's retail/lease products and services; key financial terms; dealer loan transactions; and HCA credit policies and procedures. Training will give each worker the necessary skills to perform their specific jobs.

**Computer Skills (20%):** Training will be offered to all occupations based on individual need and job function. Training will focus on the Ariba e-procurement system; Apptio IT Planning Foundation Software; Loan Management Software; SAS Programming Skills; Intermediate MS Office, and Network Administration & Management. Training is essential to improve performance and meet HCA financial compliance requirements.

**Continuous Improvement (15%):** Training will be delivered to all occupations and is designed to improve processes and efficiencies throughout the organization. These skills will give trainees the skills to manage performance and process improvements, think strategically, and set appropriate goals for themselves and the organization.

### **Computer-Based Training (CBT)**

HCA will offer up to 30 hours in CBT to all occupations in many of the same skills identified in class/lab above. CBT training will provide a method to reinforce the training taught through the class/lab methodologies. In addition, some compliance training requires CBT so it can be tracked and certified. CBT hours are capped at 50% of total training hours per-trainee.

### **Reimbursement Rate**

Although HCA is classified as a non-priority industry, this project has been designated as a Critical Proposal and therefore, will receive the ETP Priority reimbursement rate of \$18 per hour.

### **Commitment to Training**

The annual training budget for California is \$350,000. Training consists of basic orientation and an overview of company policies and procedures; basic computer skills; violence in the workplace prevention; sexual harassment prevention; and ethics and diversity training. HCA states that ETP funds will not displace the existing financial commitment to training.

### **Training Infrastructure**

HCA will begin training following Panel approval. HCA's Learning & Development Team is comprised of four full time employees responsible for the scheduling, implementation delivery and tracking of all ETP-funded training. Project Administration will be provided by in-house staff.

### **Impact/Outcome**

Training goals include new technologies, software systems, and continuous improvement skill sets necessary to successfully manage company growth and provide long term career opportunities for employees to grow within the organization as HCA moves to a high performance workplace.

### **Other Resources**

HCA has been awarded a 2015 California Competes Tax Credit in the amount of \$1,200,000.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Deloitte Tax, LLP in San Francisco assisted with development of this proposal for a flat fee of \$50,000.

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Business Writing
- + Train-the-Trainer/Facilitator Skills
- + Franklin Covey's Project Management for the Unofficial Project Manager

**COMMERCIAL SKILLS**

- + Customer Service-Universal Servicing New Hire
  - o Retail Products
  - o Lease Products
  - o Support Billing Overview
  - o Payment Problems Overview
  - o Call Information in CRM Software Tool
- + Funder Analyst New Hire- Funder Analyst I
  - o HCA Consumer Credit Department Overview
  - o Funding Process Guidelines
  - o Roles & Responsibilities for Retail/Lease
  - o Daybreak Software Functionality
  - o Key Financial Terms
  - o Financing Policies & Procedures
- + Credit Analyst New Hire – Credit Analyst I
  - o Credit Buying Process & Guidelines
  - o Hyundai/Kia Finance Plans/Programs
  - o Credit Policies & Procedures
- + Credit Analyst New Hire – Credit Analyst II
  - o Dealer Production Reports
  - o The 5C's of Credit
  - o Credit Decision Workflow
  - o Dealer Relationships
  - o Reviewing an Application
- + Legislative Updates
- + Lease and Retail Contracts Basics
- + Dealer Loan Transactions

**COMPUTER SKILLS**

- + Oracle Applications
  - o Oracle Business Intelligence Enterprise Edition- Create Analyses and Dashboards
  - o Oracle Business Intelligence Enterprise Edition- Credit Report
- + Software Systems Training
  - o Ariba e-Procurement System
  - o Aptio IT Planning Foundation
  - o Automatic Data Processing Upgrade Training
  - o Siebel Customer Service Relationship Manager
- + Loan Management Software Training
  - o LeasePak Loan Origination System for Lease Accounts
  - o Daybreak Loan Origination System for Retail Accounts
- + SAS Programming Level 1: Essentials

- ✦ SAS Programming Level 2: Data Manipulation Techniques
- ✦ SAS Programming Level 3: Data Manipulation Techniques
- ✦ Accounting and Tax Software Training – Blackline/Vertex
- ✦ Access Training
- ✦ Microsoft Excel Level 2
- ✦ Microsoft Excel Level 3
- ✦ PowerPoint - Advanced

### **CONTINUOUS IMPROVEMENT**

- ✦ Discovering Types of Communication in Teams
- ✦ Presentation Skills
- ✦ Organizational Change Management
  - Blue Belt Certification
  - Black Belt Certification
  - Master Black Belt Certification
- ✦ Strengths Finder 2.0
- ✦ Consulting Boot Camp
- ✦ Communications (Executive Communication Strategy)
- ✦ Leadership Skills
- ✦ Project Management Skills
- ✦ Coaching & Mentoring Skills
- ✦ Situational Leadership
- ✦ Change Management Skills

### **CBT Hours**

0-30

### **BUSINESS SKILLS**

- ✦ Project Management Fundamentals (2.5 hrs)
- ✦ Financial Statements for Non-Financial Professionals (1 hr)
- ✦ Contract Execution and Review Process Overview (1 hr)
- ✦ The Balance Sheet (1 hr)
- ✦ Introduction to Business Analysis and Essential Competencies (2 hr)
- ✦ Interpersonal Communication (1 hr)
- ✦ Working for Your Inner Boss: Personal Accountability (2 hr)
- ✦ Negotiation Essentials: Communicating (1 hr)
- ✦ Interpersonal Communication: Communicating with Confidence (1 hr)
- ✦ Managing Your Career: Creating a Plan (1 hr)
- ✦ Personal Productivity Improvement: Managing Tasks and Maximizing Productivity (1 hr)
- ✦ Overcoming Challenges of Managing Top Performers (1 hr)
- ✦ Business Writing: Know Your Readers and Your Purpose (1 hr)
- ✦ Fair Lending (.5 hr)
- ✦ Manager Development Program (2.5 hr)

### **COMPUTER SKILLS**

- ✦ Accounting and Tax Software Systems Training (10 hrs)
  - Blackline Accounting Software
  - Vertex Sales Tax Software

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