



## RETRAINEE - JOB CREATION

### Training Proposal for:

## J.R.R. Enterprises Inc. dba Caltronics Business Systems

**Agreement Number: ET15-0411**

**Panel Meeting of:** March 27, 2015

**ETP Regional Office:** Sacramento

**Analyst:** L. Fraizer

### PROJECT PROFILE

<b>Contract Attributes:</b>	Retrainee Job Creation Initiative HUA	<b>Industry Sector(s):</b>	Services  Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Counties Served:</b>	Sacramento, Alameda, Santa Clara, Fresno, Los Angeles, Placer, Sonoma	<b>Repeat Contractor:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Union(s):</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>Number of Employees in:</b>	CA: 280	U.S.: 300	Worldwide: 300
<b>Turnover Rate:</b>	7%		
<b>Managers/Supervisors:</b> (% of total trainees)	13%		

### 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;">\$303,530</td></tr> </table>	Program Costs	\$303,530	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(Substantial Contribution)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(Substantial Contribution)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(High Earner Reduction)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(High Earner Reduction)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$303,530</td></tr> </table>	<b>Total ETP Funding</b>	\$303,530
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<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$537,000
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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 HUA	Buisness Skills, Commercial Skills, Computer Skills, Management Skills, PL-Commercial Skills	225	8-200	0-39	\$1,170	\$16.54
				Weighted Avg: 78			
2	Retrainee Job Creation HUA	Business Skills, Commercial Skills, Computer Skills, Management Skills, PL-Commercial Skills	19	8-200	0-53	\$2,120	\$16.54
				Weighted Avg: 106			

**Minimum Wage by County: Job Numbers 1 and 2:** \$15.07 per hour for Sonoma, Placer & Fresno Counties; \$15.75 per hour for Sacramento County; \$15.97 per hour for Los Angeles County; and \$16.44 per hour for Alameda & Santa Clara counties.

**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
<b>Job Number 1</b>		
Warehouse Staff		5
Driver		5
Administration Staff		32
Solutions Engineer		9
Sales Representative		47
Supervisors		24
Trainer		7
Technician		96
<b>Job Number 2</b>		
Technician		10
Administration Staff		4
Solutions Engineer		1
Sales Staff		4

## **INTRODUCTION**

Founded in 1976, J.R.R. Enterprises Inc., dba Caltronics B.S. (Caltronics) [www.caltronics.net](http://www.caltronics.net), is a family owned and operated business. The Company sells, leases, and services copy and facsimile machines including high-speed digital copiers and printers, multi-functional devices, and software for document management and retrieval. Caltronics is one of the largest independent dealers of KonicaMinolta in the country, offering software solutions that increase efficiency and competition within the office products and services industry.

Headquartered in Sacramento, Caltronics has 10 locations in California and one location in Arizona. It is anticipated that staff from seven Caltronics locations will participate: Sacramento, Pleasanton, San Jose, Fremont, Fresno, Irwindale, and Rocklin. Training will be conducted at all work sites.

Caltronics experiences competition from manufacturers such as Canon, Konica Minolta, Sharp, and Toshiba; as well as other independent dealers. Caltronics sells and installs products and provides full service maintenance as a Pro-Tech Certified Company. Caltronics has sold and installed more digital systems than most other independent dealers in the United States and has been a top Western Regional Konica Minolta dealer for over 20 years. The Company's customer base consists of large and small business, federal and state government, municipalities and school districts throughout California.

Caltronics is eligible for standard retraining as a company primarily engaged in providing services directly to customers located both inside and outside of California.

### **Need for Training**

Caltronics is committed to providing the highest level of customer service before and after every sale, which means staying current with new technology. The digital office products industry is constantly evolving as new products and software are introduced (e.g. Bizhub Press and Pro).

Caltronics provides service and support for office products as well as the software utilized. Training will focus on new technological skills that are important to properly diagnose and correct issues in the areas of machine repair, troubleshooting, and customer care.

## **PROJECT DETAILS**

### **Commitment to Training**

Caltronics currently has an annual training budget of \$ 100,000 which includes manufacturing specific technical training, business skills training, customer service training, sales training, and industry-specific internal software training.

Caltronics 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

Caltronics will have executive staff, as well as, senior frontline staff, at each location. They will be responsible for scheduling training, collecting completed rosters and sending them to the corporate office, as in addition, Caltronics is using Integrated Solutions as their contract administrator for the enrollment and tracking of trainee hours.

## High Unemployment Area

The 23 trainees in Job Number 1 work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company's location in Fresno qualifies for HUA status under these standards. However, Caltronics is not asking for a wage and/or retention modification.

## Retrainee - Job Creation

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Konica Minolta comes out with new equipment throughout the year to meet the needs of the constantly expanding technology market that drives its devices. An example of which is Konica Minolta's award-winning Bizhub products that speed up output and streamline workflow with multifunctional productivity. Caltronics is expanding their existing business capacity by introducing these Bizhub products to their customers and in doing so will move the Company into an expanding market.

As technology advances throughout the years, the demand for machinery at the forefront of the office products and services industry has increased considerably. This increase in demand necessitates the hiring of new Technical, Administrative, Engineering, and Sales Staff. Caltronics is currently in a steady, controlled, growth mode and is planning on incorporating Job Creation staff at all of the proposed facilities.

In this proposal, Caltronics has committed to hiring 19 new employees as shown in Job Number 2. Caltronics Business represents that the date-of-hire for all trainees in 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.

## Training Plan

**Business Skills (20%)** – Training will be offered to Technicians, Warehouse staff, Supervisors, Trainers, and Sales Representatives. The goal is to equip the workforce with an understanding of the Company's products and improve communication with internal and external customers.

**Computer skills (10%)** - Training will be offered to all occupations to increase productivity and improve proficiency in various software platforms and applications. Topics will include Desktop Applications, Software, Programming Languages, and Project Management Software Applications.

**Commercial Skills (30%)** – Training will be offered to all occupations. Courses include Decision Making, Corrective and Preventative Actions, Management Controls, Process Validations and Complaint Management Systems. Training will improve the Company's service, quality, reliability, delivery time, and order accuracy by providing a common language and a consistent methodology for how its employees meet customer requirements.

**Management Skills (7%)** – Training will be offered to Supervisors to effectively manage personnel by improving business processes, increasing team rapport, and resolving work challenges.

**Productive Laboratory (20%)**

The Panel recently adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

Training will be offered to all Technicians and job specific Solutions Engineers. Productive Lab training will supplement Class/Lab training to strengthen employees; understanding of how to perform equipment/operations related jobs. Many of the office machines that Caltronics services are only accessible in the field. Every customer environment is different and the varied sites bring unique perspective that cannot be simulated in a Class/Lab setting.

Incumbent workers in Job Number 1 and Job Creation trainees in Job Number 2 will receive between 0-40 hours of PL training with a trainer-to trainee ratio of 1:1.

The trainers will be product knowledge experts in the course topic and will provide demonstration of tasks prior to observing a trainee perform the job. Coaching and mentoring will be provided by the trainer until the trainee has been determined to be competent in the skill. During PL training trainees are not held to productivity standards since their specific goal is learning. Training will consist of machine or software specific service or maintenance techniques. Troubleshooting, maintenance, adjustments, calibration, programing and proper service techniques will be covered during PL training depending on the needs of the trainee and the machine requirements. Trainees will receive training on Konica Minolta Office Systems, Productive Print Machines, and Desk-top printing machines.

**Computer Based Training (CBT)** (13%) Trainees will receive Business Skills, Computer Skills, Commercial skills, and Management Skills to supplement class/lab training. The recipients of this training will include Technicians, Solutions Engineers and Supervisors.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Caltronics retained Integrated Solutions in Redwood City to assist with development of this proposal for a flat fee of \$6,000.

**ADMINISTRATIVE SERVICES**

Caltronics also retained Integrated Solutions to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

PSigen of Bend, Oregon has been retained to provide certification training for a fee of \$6,000.

Access Control Devices, Inc. of Little Rock, Arkansas has been retained to provide on-site Commercial Skills training for a fee of \$ 8,310.

Other trainers will be identified for ETP record-keeping purposes, as they are retained by Caltronics.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Accounting
- ADP Workforce Now
- Marketing
- Inventory Control
- Product Knowledge
- Business and Report Writing
- Conflict Management
- Interpersonal Skills
- Customer Relations
- Identifying Customer Needs
- Handling Customer Requests
- Resolving Customer Complaints
- Customer Needs
- Leadership Skills

**COMMERCIAL SKILLS**

- Repair and Maintenance
- Equipment Setup
- Process Improvement
- Trouble Shooting

**COMPUTER SKILLS**

- Microsoft Office Intermediate & Advanced
- Computer Networking
- Network Management
- Decision Making

**MANAGEMENT SKILLS (Supervisors/Managers Only)**

- Leadership
- Decision Making
- Teambuilding

**Productive Lab** (Ratio 1:1)

0 – 40

**COMMERCIAL SKILLS**

- Equipment Operation (2-8 Hour)
- Software Programing (2-8 Hour)
- Optical Character Recognition (2-8 Hours)

**CBT Hours**

Job No.1 (0-39)

Job No.2 (0-53)

**COMMERCIAL SKILLS**

- Association Certification (28 Hour)
- Professional Certification (14 Hour)
- Expert Color Certification (11 Hour)
- Expert Production Print Certification (11 Hour)
- Expert Network Certification (19 Hour)
- Expert Office Solutions Certification (15 Hour)
- Master Color Certification (8 Hour)
- Master Production Print Certification (8 Hour)
- Master Office Solutions Certification (8 Hour)

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.