



**Training Proposal for:**

**Kellwood Company, LLC**

**Agreement Number: ET17-0272**

**Panel Meeting of:** October 28, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** E. Wadzinski

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Priority Rate  | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles, San Francisco  | 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: 633   | U.S.: 791           | Worldwide: 791  |
| <u>Turnover Rate:</u>                                 | 10%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 13%   |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$245,592     |   | \$0                        | \$0                     |   | \$245,592                |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$502,802 |
|------------------------------|------------------------------------|-----------|

**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<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Continuous<br>Improvement | 379                       | 8-200               | 0-14 | \$648                    | \$16.81             |
|         |                            |   |                           | Weighted Avg:<br>36 |      |                          |                     |

**Minimum Wage by County:** \$16.48 in Los Angeles County and \$17.02 in San Francisco 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 |
|---|------------|-------------------------|
| Administrative Staff I (Admin, Reception, Accounting/Finance, Human Resources)                      |            | 8                       |
| Administrative Staff II (Admin, Reception, Accounting/Finance, Human Resources)                     |            | 3                       |
| Building Services   |            | 7                       |
| Customer Service  |            | 17                      |
| Design Staff I  |            | 133                     |
| Design Staff IIPO Management,   |            | 25                      |
| Imports & Logistics I   |            | 36                      |
| Imports & Logistics II  |            | 5                       |
| IT Staff I (EBA, MS Dynamics, e-Commerce, Infrastructure)   |            | 8                       |
| IT Staff II (EBA, MS Dynamics, e-Commerce, Infrastructure)  |            | 1                       |
| Manufacturing Staff I (Pattern Maker, Cutter, Marking and Grading, First Samples, Quality Control)  |            | 86                      |
| Manufacturing Staff II (Pattern Maker, Cutter, Marking and Grading, First Samples, Quality Control) |            | 7                       |
| P.O. Management   |            | 11                      |
| Sales Staff I   |            | 13                      |
| Sales Staff II  |            | 5                       |
| Warehouse (Plant Administration, Distribution)  |            | 14                      |

## **INTRODUCTION**

Founded in 1961, and headquartered in New York, Kellwood Company, LLC (Kellwood) ([www.kellwood.com](http://www.kellwood.com)) designs, manufactures, and markets fashion apparel brands across a broad range of consumer lifestyle brands, including Parker, Rebecca Taylor, Briggs NY, Democracy, Jolt, My Michelle, and XOXO. Kellwood also markets private label products, to all channels of distribution. Kellwood markets products under many brands, some of which it owns, and others that are under licensing agreements. Apparel customers for Kellwood's private label brands include Target, Macy's, Nordstrom, JCPenney, and Dillard's.

The Company has three primary locations: New York, St. Louis, (Shared Services) and City of Industry, (Product Development and Distribution). Of Kellwood's 791 total employees within the United States, 633 reside in California, and of which, 627 are located at the City of Industry facility. Business activities at the City of Industry facility include product design, development, logistics, storage and shipping, along with customer service and wholesale sales solicitation. Training under this Agreement will take place at the City of Industry facility in California as well as the two California Kellwood Showrooms located in Los Angeles and San Francisco.

## **PROJECT DETAILS**

Training will support Kellwood's fast-fashion apparel supply chain capability from product development and design through distribution. Current retail market trends which include a decline of brick-and-mortar retail sales, price and margin pressure from heightened competition, uneven consumer demand and technological improvements, have caused Kellwood to rethink how it approaches sales channels, production, manufacturing, distribution, and customer service to remain competitive in the challenging market environment.

Employees require comprehensive training on new tools, processes, and techniques required in each of their respective disciplines resulting from process and business practice changes occurring over the past several years. ETP-funded training will help improve employee capabilities and confidence, support the implementation of new business operating strategies and initiatives, improve sales and profit results, and maintain employment levels and employee satisfaction and retention. This will be Kellwood's first ETP agreement.

### **Training Plan**

All training will be conducted via Class/Lab and CBT at the Company's City of Industry facility or showrooms located in Los Angeles and San Francisco.

**Business Skills (30%)** - Training will be delivered to all occupations. Training will focus on action planning, retail math concepts, relationship building, sales, and employee engagement. Trainees will learn techniques to build a more efficient sales force, to stay engaged on their jobs, and how to build relationships with clients and coworkers.

**Continuous Improvement (40%)** - Training will be provided to all occupations. Training will provide knowledge on increasing communication skills, setting more efficient and realistic goals, customer service, and planning. This training will teach employees to be more effective as Kellwood professionals while strengthening planning abilities, customer service issue resolution, and on-the-job skillsets. This training is geared toward advancing the individual trainee in their career path.

**Computer Skills (30%)** - Training will be provided to all occupations. Training in this category will provide skills in advanced business software, including Adobe Photoshop and Illustrator, to help increase productivity and results.

**Impact/Outcome**

ETP-funded training will help the Company expand and grow its business. ETP training will also provide employees with new and/or improved skills to improve productivity throughout the Company.

**Commitment to Training**

Kellwood's 2015 training budget for the City of Industry facility was \$85,000. The funding was primarily allocated to Onboarding, Leadership Development, Technical & Functional Skills, General Education and Compliance.

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**

Kellwood's California-based Human Resources (HR) team, including the Director, the HR manager, and 2 HR associates, will collectively administer the ETP program. Oversight of the program will be jointly managed by Kellwood's HR and Tax Departments, with administrative support provided by ADP. Training is currently slated to be delivered by in-house Kellwood Staff.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Kellwood has retained ADP, LLC in San Dimas to assist with development of this proposal for a flat fee of \$15,000.

**ADMINISTRATIVE SERVICES**

ADP, LLC will also perform administrative services in connection with this proposal for a fee not to exceed 11% of payment earned.

**TRAINING VENDORS**

N/A

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

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Business Writing and Grammar
- Retail Math Concepts
- Sales and Relationship Building
- Action Planning and Employee Engagement

**COMPUTER SKILLS**

- Intermediate Excel
- Advanced Excel
- Intermediate Illustrator
- Advanced Illustrator
- Intermediate Photoshop
- Advanced Photoshop
- InDesign
- Intermediate Microsoft Office
- Advanced Microsoft Office
- Intermediate Dynamics AX
- Advanced Dynamics AX

**CONTINUOUS IMPROVEMENT**

- Communication Skills
- Leadership Skills
- Change Management
- Conflict Management
- Operations and Service Skills
- Customer/Client Service
- Goal Setting
- Innovation
- Maximizing Your Strengths
- Strategic Planning
- Budgeting and Forecasting
- Mindfulness for the Workplace

**CBT Hours**

0 - 14

Trainees may receive any of the following:

**COMPUTER SKILLS**

- Intermediate Excel – 1 hr
- Advanced Excel – 1 hr
- Intermediate Illustrator – 1 hr
- Advanced Illustrator – 1 hr
- Intermediate Photoshop – 1 hr
- Advanced Photoshop – 1 hr
- InDesign – 1 hr

- Intermediate Microsoft Office – 1 hr
- Advanced Microsoft Office – 1 hr
- Intermediate Dynamics AX – 1 hr
- Advanced Dynamics AX – 1 hr

**CONTINUOUS IMPROVEMENT**

- Communication Skills – 1 hr
- Customer/Client Service – 1 hr
- Goal Setting – 1 hr

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.