



**Retrainee - Job Creation  
Training Proposal for:  
Lumens dba Lumens Light & Lighting**

**Small Business ≤ \$50,000**

**ET15-0393**

**Approval Date:** February 26, 2015

**ETP Regional Office:** Sacramento

**Analyst:** W. Sabah

**CONTRACTOR**

- Type of Industry: Retail
  
- Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 84
  - Worldwide: 84
  - Number to be trained: 78
  - Owner  Yes  No
  
- Out-of-State Competition: Customers Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 15%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$49,896
- In-Kind Contribution: \$107,284

**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	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	64	8-60	0	\$616	\$15.75
				Weighted Avg: 28			
2	Retrainee Job Creation SB<100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	14	8-60	0	\$748	\$14.00
				Weighted Avg: 34			

- Reimbursement Rate: Job #'s 1 & 2: \$22 SB Non-Priority
- County(ies): Sacramento
- Occupations to be Trained: Accounting Staff, Customer Service Staff, Administrative Staff, Information Technology Staff, Marketing Staff, Merchants, Publishing Staff, Purchasing Staff, Warehouse Staff, Trade Staff, Manager
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.17 per hour

**SUBCONTRACTORS**

- Development Services: Sierra Consulting Services in Cameron Park assisted with development for a flat fee of \$4,500.
- Administrative Services: Sierra Consulting Services will also provide administration services for an amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 2004, Lumens dba Lumens Light & Lighting (Lumens) ([www.lumens.com](http://www.lumens.com)) is an online retail shop for lighting, fans, furniture and accessories from small, independent studios. The Company sells products online and at three retail locations in Sacramento. The flagship store in midtown is a 4,000 square foot facility devoted to showcasing indoor lighting, outdoor lighting, ceiling fans, modern furniture and home accessories. Lumens advertises in publications such as the New York Style Times, Style Magazine, Décor and Interior Design and Dwell. Their

primary customers are interior designers, contractors, architects and online customers. A significant portion of the Lumens customer base is from out-of-state, for their flagship store.

### **Need For Training**

Over the years, there have been major changes in the lighting industry as it converted from incandescent to light-emitting diode (LED). Incandescent is considered 'harsh' lighting, while LED is considered 'soft' lighting. Lumens customers rely on staff to offer suggestions and provide accurate verbal descriptions of the new LED light bulb fixtures and effects when they place their orders. LED has very unique effects from its combination of color, hue, wattage, and other specifications. To improve product knowledge and customer service, Lumens' staff requires significant technical training.

In addition, Lumens will be adding a new product division, Home Furnishing Marketplace. Currently, the Company has the manufacturer ship products directly to the customer. With the introduction of the Home Furnishing Marketplace, the sales and logistics process will require Lumens to increase inventory and ship products from its warehouse, also in midtown. To meet these demands, Lumens must improve processes and procedures by training staff on new marketing techniques, sales methods, warehousing, inventory management and logistics.

### **Retrainee - Job Creation**

Lumens' commitment to growing their business and the expansion of services warrant the addition of new employees. The Company is expecting to increase their revenues significantly in 2015 and has leased an additional 14,000 square feet to expand their existing flagship office in Sacramento. To support the expansion, the Company has created new positions in departments such as IT Personnel, Online Marketing, and Customer Service.

The Panel offers incentives to companies that commit to hiring new employees and newly-hired employees subject to a lower-post-retention wage. For this proposal, Lumens has committed to hiring 14 new employees (Job Number 2). The Company represents that 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. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

**Business Skills** – Training will be offered to all occupations to improve communication skills, increase product knowledge, identify customer needs and improve productivity. Training will include course topics such as Communication Styles, Operational Skills, Product Knowledge, Project Management and Methodology and Relationship Building.

**Commercial Skills** – Training will be offered to Merchants, Managers, Marketing, Publishing, Purchasing, Warehouse, Trade and IT Staff. Training will focus on improving product quality, promoting sales, proper application, increasing lighting knowledge and retaining customers. Topics will include Logistics, Online Marketing, Website Design, Light Source Technology and Light Source Fundamentals.

**Computer Skills** – Training will be offered to all occupations to expand their skill set in Lumens upgraded software system, collect and analyze expenses, and manage processes efficiently. IT Staff will receive training in website design, optimization, point-of-sale and product knowledge to customize the website to the Company's needs. Training will include JAVA, HTML, IT Networking, Website Design and Online Marketing

**Continuous Improvement** – Training will be offered to Merchants, Customer Service, Marketing, Publishing, Warehouse and Trade Staff. Training is designed to improve and implement new working processes and increase product/process quality. Training will include Production Operations & Workflow, Process Improvement and Project Management.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Business Writing
- Creative Marketing
- Customer Relationship Management
- Communication Styles
- Marketing and Sales Techniques
- Operational Skills
- Product Knowledge
- Project Management and Methodology
- Project Requirements Analysis and Specifications
- Retaining Customers
- Relationship Building

**COMMERCIAL SKILLS**

- Inventory Management
- Logistics
- Online Marketing
- Online Publishing
- Warehousing
- Website Design
- Website Optimization
- Website Point of Sale
- Light Source Technology
- Light Source Fundamentals
- Advanced Lamps (bulbs) and Light Sources
- Advanced Kitchen and Bath Lighting
- Advanced Recessed and Track Lighting

**COMPUTER SKILLS**

- JAVA
- HTML
- IT Networking
- Net Suite
- Concur

**CONTINUOUS IMPROVEMENT**

- Production Operations and Workflow
- Process Improvement
- Project Management

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