



**Retrainee – Job Creation  
Training Proposal for:  
MHM Glass Etching, Inc.**

**Small Business ≤ \$50,000**

**ET15-0299**

**Approval Date:** October 23, 2014

**ETP Regional Office:** San Diego

**Analyst:** S. Godin

**CONTRACTOR**

- Type of Industry: Manufacturing  
Services  
Priority Industry:  Yes  No
- Number of Full-Time Employees  
California: 21  
Worldwide: 21  
Number to be trained: 13  
Owner  Yes  No
- Out-of-State Competition: Customers Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 16%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$12,480
- In-Kind Contribution: \$7,200

**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 Priority Rate SB <100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	10	8-60	0	\$780	\$15.60
				Weighted Avg: 30			
2	Retrainee Job Creation Initiative Priority Rate SB <100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	3	8-60	0	\$1,560	\$13.00
				Weighted Avg: 60			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): San Diego
- Occupations to be Trained: Account Rep, Graphic Designer, Production Staff, Manager, Operations, Owner
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Formed in 1991, MHM Glass Etching, Inc. (MHM) is a small business located in San Diego that currently employs 21 full time workers. The Company designs and prints custom labels for wine and champagne bottles and provides custom glass etching, engraving and painting for a variety of glassware.

MHM recently completed its first ETP-funded project in which 7 employees were introduced to the basic concepts of process improvement, customer service, marketing techniques, and standard operating procedures. Employees are now better equipped to identify and meet customer expectations as a result of the training. Interdepartmental communication has improved, and employees have begun to function as a team. Completion of the first Agreement has laid the foundation from which the Company now plans to create a culture of continuous

improvement. The proposed training plan will build upon the basic skill sets acquired in the first project through the delivery of more advanced training topics. Upgraded training in topics such as customer service, communication styles, marketing/sales, and project and operations management will provide MHM with a higher level of skills needed to manage its recent growth and continuing business expansion.

## **PROJECT DETAILS**

MHM states that it experienced a 40% increase in sales revenue from 2012 to 2013 and a 50% increase from 2013 to 2014. The number of full time employees has grown from 14 to 21 over the same time period. The Company states that its growth is the direct result of the ETP-funded training. Increased sales and revenue make continued training critical to managing growth and remaining profitable. The proposed ETP-funded training will build upon the skills acquired in the previous Agreement, although trainees will not receive duplicate courses.

The Company has identified new market segments and plans to expand its product offerings and services to attract and retain a larger volume of high-end customers. In addition to MHM's customized wine bottle etching, engraving and painting options, MHM will begin offering customized water, honey, and barbeque sauce bottles with additional gift boxing options. Plans are also underway to begin to produce wooden hang tags (for the bottles) and holiday ornaments using the newly purchased Epilog laser machine.

MHM will expand its marketing efforts through increased participation at trade shows and by building an online presence via Google+, Google AdWords, and Facebook. Training in a variety of business, commercial, computer and continuous improvement topics will provide the skill sets to implement process improvements, streamline operations and meet increased customer demands as the Company continues its transformation to a high performance workplace.

### **Retrainee – Job Creation**

Based on its increased sales volume over the past two years, MHM forecasts a 40% increase in revenue during 2015. Three additional employees (two account representatives and one graphic designer) will be added to existing functions during the term of the proposed ETP Agreement (Job Number 2). The additional account representatives and the graphic designer will provide MHM with the staff to design, market, and provide customer service for MHM's

MHM states that most of the training for the newly hired employees will take place during the first month of employment; therefore, a request for a weighted average of 60 hours per person in Job Number 2 is reasonable. To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Delegation approval or during the term of the contract. Newly hired trainees are subject to a lower post-retention wage.

### **Training Plan**

No trainee will receive training topics received in prior agreement.

**Business Skills** - Account Reps and selected Managers will need advanced sales/marketing skills and new product knowledge training to increase MHM's customer base and speak to the Company's expanded offerings and services with acumen. The advanced sales and marketing training will provide skills needed to close a higher percentage of sales calls and communicate effectively with customers via phone, email, and in person. All occupations will receive DISC behavioral assessment training which will provide workers with the skills to communicate with different personality types.

**Commercial Skills** - Production staff will be trained in new equipment operation. Designers and selected Production Staff will receive advanced training to augment existing skill sets in a variety of graphic design, label making techniques, and glass etching processes.

**Computer Skills** – Training will be provided to all occupations as it relates to job function. Training will be offered in Microsoft Office Suite, Adobe Suite, CAD, and File Maker software.

**Continuous Improvement** – A variety of training topics will be delivered to all occupations designed to build upon the skills acquired in the first ETP Agreement. Training will further streamline processes and improve efficiencies throughout the organization. The training will 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.

**Modifications**

Although MHM is small business, the project includes a Job Creation hiring component; therefore, requires a 24-month agreement term to enable the company to complete all training and retention.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0161	San Diego	9/5/12-9/4/14	\$7,280	\$7,280* (100%)

\*MHM tracked a total of 297 eligible training hours; and is therefore, eligible to earn 100% of the contract amount. To date, MHM has been paid \$5,490 in earned payments. The fiscal closeout and final payment (for the remaining amount) has been submitted but not yet processed.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

Advanced Sales & Marketing Tools/Techniques

- Sales Team Boot Camp
- Suspecting, Prospecting & Closing
- Sales Account Management
- Maximizing Corporate Partnerships
- Understanding Customer Design Needs
- Marketing Plan Development & Implementation

The Value-Added Customer Experience

Communication Skills

Active Listening Skills

DISC Behavior Assessment Training

New Product Knowledge

Presentation Skills

Negotiation Skills

**COMMERCIAL SKILLS**

Equipment Operation, Maintenance & Troubleshooting

Graphic Design Skills

Label Making Techniques

Mask Creation

Glass Etching Techniques

**COMPUTER SKILLS**

Microsoft Office Suite and Data Tools (Word, Excel, Outlook, PowerPoint, Access, Project)

Adobe Suite (InDesign Acrobat, Photoshop, Illustrator)

File Maker Software

Search Engine Optimization

**CONTINUOUS IMPROVEMENT**

Process Improvement

Project & Operations Management

Standard Operating Procedures

Time Management

Goal Setting

Leadership Skills

Delegation Skills for Team Leaders & Managers

Critical Thinking & Analysis

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