



RETRAINEE – JOB CREATION

Training Proposal for:

Moreno Valley Collision, Inc. dba  
Fix Auto Moreno Valley

Small Business ≤ \$50,000

ET15-0380

Approval Date: December 30, 2014

ETP Regional Office: San Diego

Analyst: S. Godin

**CONTRACTOR**

- Type of Industry: Services
  - Number of Full-Time Employees
    - California: 22
    - Worldwide: 22
    - Number to be trained: 18
  - Out-of-State Competition: No OSC
  - Special Employment Training (SET):  Yes  No
  - High Unemployment Area (HUA):  Yes  No
  - Turnover Rate: 6%
  - Repeat Contractor:  Yes  No
- Priority Industry:  Yes  No
- Owner  Yes  No

**FUNDING**

- Requested Amount: \$16,896
- In-Kind Contribution: \$13,000

**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		
01	Retrainee SB <100 SET HUA	Business Skills, Commercial Skills, Computer Skills, Cont. Imp., HazMat, PL Commercial Skills	15	8-60	0	\$880	\$14.90
				Weighted Avg: 40			
2	Retrainee SB<100 Job Creation Initiative SET HUA	Business Skills, Commercial Skills, Computer Skills, Cont. Imp., HazMat, PL Commercial Skills	3	8-60	0	\$1,232	\$11.17
				Weighted Avg: 56			

- Reimbursement Rate: Job #'s 1 & 2: \$22 SB Non-Priority
- County(ies): Riverside
- Occupations to be Trained: Administrative Support, Estimator, Technician, Parts/Production Staff, Detailer/Painter, Owner, Manager
- Union Representation:  Yes  
 No
- Health Benefits: Job # 1: \$2.22 per hour; Job # 2: \$1.17

**SUBCONTRACTORS**

- Development Services: Synergy Management Consultants in Grass Valley assisted with development for a flat fee of \$1,400.
- Administrative Services: Synergy Management Consultants will also provide administration services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

## **OVERVIEW**

Moreno Valley Collision, Inc. dba Fix Auto Moreno Valley (MVC) was originally formed in 2005 ([www.fixautomorenvalley.com](http://www.fixautomorenvalley.com)). This small business joined the Fix Auto Group as an independently owned franchise in 2012. The Company specializes in automotive collision and repair and sales of associated parts and accessories. MVC currently employs 22 full time workers.

## **PROJECT DETAILS**

MVC reports that its need for training is being driven by the Company's strategic plan to increase revenues, raise worker efficiency levels, and provide a higher level of customer satisfaction at competitive prices. To meet this goal, the Company must update the employee product knowledge and technical skill sets, and implement standard operating procedures and process improvements.

Increased consumer demand for vehicles made from lighter metals and recent technological advances in alternative fuel systems has changed the way auto body repairs are done and how repair costs are estimated. Technicians must be able to work with these metals and understand how body repairs differ based on the metal composition of the vehicle. Key training areas include automobile repair that utilize metals such as Boron and ultra-high strength steels and composites, as well as damage assessment for newer technology vehicles. Technicians will also receive technical training needed to meet standards established by the Inter-Industry Conference on Auto Collision Repair (I-CAR), Automotive Service Excellence, and Original Equipment Manufacturer credentials required by most insurers and vehicle manufacturers.

MVC currently participates in Direct Repair Programs (DRPs) as a preferred provider with Geico, Allstate, Esurance, AAA and most recently, USAA. Participating in a DRP provides a streamlined and more efficient process for MVC, the insurance carrier and the customer. Preferred provider status allows MVC to act on behalf of the insurance carrier; eliminates the need for the adjuster to make a trip to the body shop and write an estimate. In addition, the Company does not have to wait for repair approval. DRP participation removes unnecessary steps, reduces cycle time and contains costs.

Each insurance carrier has specific repair guidelines. Estimators and Technicians must have the product knowledge and technical skills to complete estimates and repairs per each carrier's specific criteria to maintain DRP status. The majority of the insurance carriers also require yearly technical skills upgrade training and recertification of Technicians, Estimators and Administrative Support Staff. Although the training varies by carrier, most insurers require Technicians and Estimators to complete a minimum 40 hours of industry specific training each year on the latest repair technology.

Training on revisions to the various software programs used by MVC and updates to each DRP insurance carrier's software will enable employees to navigate the various system components used for estimating, job costing, production planning, and customer communication. Estimators and Administrative Support will also receive training on the latest updates to the proprietary software used by each insurance carrier. Training will be delivered by a combination of training vendors and in-house staff.

## Retrainee - Job Creation

MVC states that it experienced an 11% increase in revenue for the period of 1/1/14- 12/17/14 and that its employee count increased from 20 to 22 during the same time period. The Company plans to open a second facility in Riverside County during the fourth quarter of 2015. Based upon its expansion plans, sales volume forecasts, and its new Direct Provider status with USAA, MVC predicts a 20% increase in overall business growth for the next two years. To support its growth plans, MVC will increase its full time workforce, hiring three net new employees included in this proposed ETP Agreement (1 Technician, 1 Estimator and 1 Manager). These new workers will require extensive class/lab and productive lab training to develop the requisite skills needed to facilitate projected growth.

Trainees must be hired within the three month period prior to Panel approval or during the term of the contract. Under the Job Creation Initiative, trainees for SET-funded projects are subject to the ETP minimum wage for new-hires, rather than the SET wage. The Company represents that these trainees will be hired into “net new jobs” as a condition of contract.

## Training Plan

ETP-funded training will assist MVC provide formal structured training needed to upgrade the skills of its incumbent and newly hired workers. Training will also promote the professional development of its team members to support sustained, profitable sales growth at its repair facilities.

**Business Skills** - Training will be offered to all occupations and focus on customer relationship building, negotiation skills, and presentation and communication skills. This training will also provide workers with industry-specific claims processing techniques and customer service and engagement skills.

**Commercial Skills** – Training will be offered to Technicians, Estimators, Parts/Production Workers, Detailers/Painters and select Managers. Training will include automotive service and repair skills, new vehicle technologies, aluminum and hybrid repair, alternative fuel vehicle maintenance, and extended I-CAR credentials for collision centers. This training will also teach Estimators and selected Administrative Support Staff how to accurately estimate damage and create repair plans.

**Computer Skills** – Training will be offered to all occupations in the Company’s software systems used to track costs and production flow, schedule service, and connect with customers and insurance carriers. Estimators will receive extensive training on estimating software.

**Continuous Improvement** – Training will be delivered to all occupations. Continuous Improvement topics are designed to promote teamwork throughout the organization, streamline processes, and improve quality, cycle time and cost efficiency.

**Hazardous Materials** – This training will be offered to Technicians, Detailer/Painters and Parts/Production Staff on the safe handling and disposal of hazardous materials.

**Productive Lab – Commercial Skills** – Under the Panel’s Productive Lab (PL) guidelines, trainees may produce goods or perform services for profit as part of the training in the courses identified under the Curriculum. The training will be provided by in-house subject matter experts who are exclusively dedicated to instruction for the entire reported training time.

Many employees enter the automotive collision repair industry lacking requisite “hands-on” technical skills to perform tasks at an optimal level. Due to the nature of vehicle collision repair,

it is essential that certain elements of the proposed training take place in a PL setting to ensure that workers reach required proficiency levels. PL Tasks, competencies and the estimated minutes/hours needed to achieve proficiency for each process/piece of equipment in the PL curriculum have been developed and are included as part of the proposed training plan.

PL training will compliment class/lab training modules listed in the curriculum. PL training will involve the use of resistance spot welders, metal inert gas welders, frame rack and measuring system, paint spray guns, paint spray booths, and various hand tools.

Trainees will receive instruction in collision repair and painting methods, welding of structural parts, measuring frames and uni-body structures, aluminum repair methods, identification of mechanical components, uni-body alignment processes, and advanced vehicle diagnosis and repair. Trainers will certify trainees once competencies are achieved. At the conclusion of PL, trainees will be skilled in the various vehicle repair technologies and able to meet minimum productivity standards.

Approximately 10 Technicians, Painters/Detailers and Estimators will receive up to 24 hours of PL Commercial Skills. Most of the PL training will have a trainer-to trainee ratio of 1:1; however, some repair processes may be performed in teams of up to three. For instance: for the PL Body Filler Methods process, a team of three will be stationed around a full-size vehicle. Each trainee will repair a medium-sized dent on one of the vehicle's steel panels. The trainer is able to give instruction, observe, correct, and provide real time feedback while the team of three trainees simultaneously repairs the vehicle.

### **Special Employment Training/High Unemployment Area**

Under Special Employment Training (SET) companies are not required to demonstrate out-of-state competition. These funds are designated for front-line workers only. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention.

All trainees work at the Moreno Valley facility, located in Riverside County. This is a designated High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. These HUA trainees qualify for the ETP Minimum Wage of \$14.90 for Riverside County rather than the statewide average hourly wage of \$27.09. MVC has requested this wage modification.

### **Contract Term Limitation**

Although a small business, this project includes a Job Creation hiring component. MVC states that its second facility is scheduled to open during the fourth quarter of 2015. A 24-month Agreement will provide the time needed to train and retain the newly hired employees at the second facility.

### **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**

- Customer Care Skills:
  - Customer Retention
  - Customer Engagement
  - Customer Relationship Building
- Advanced Sales & Marketing Skills:
  - Suspecting, Prospecting & Closing
  - Sales Account Management
  - Advanced Closing Techniques
  - Sales Procedures & Strategies
- Negotiation Skills
- Conflict Resolution
- Communication Skills
- Presentation Skills

**COMMERCIAL SKILLS**

- I-CAR Collision Repair Certification Skills
- Refinishing Skills:
  - Trim & Hardware
  - Surface Preparation
  - Vehicle Priming/Sealing
  - Paint Spray Guns Maintenance & Set-Up
  - Corrosion Protection Process
  - Sand, Buff & Detail
  - Color Theory & Tints
  - Blending Techniques
  - New Technologies
- Structural Repair:
  - Unibody Alignment
  - Three Dimensional Measuring
  - Repair & Replacement of Outer Body Panels
  - High Strength Steels
  - Aluminum Repair Processes
  - MIG Welding Skills
  - Straightening Structural Damage
  - Glass Replacement
  - Pillars, Rocker Panels, Rails, Front Structures & Floor Pan Replacement
  - Heating Cooling and AC Systems
  - Steering & Suspension Systems
  - Advanced & Hybrid Vehicle Systems
  - Composite Materials & Bonding Techniques
- Non-Structural Vehicle Repair Skills:
  - Remove & Install Trim & Hardware
  - Adhesive Bonding

- Diagnose Wind Noise & Water Leaks
- Aluminum Cosmetic Damage
- Spot Welding
- Composite Repair
- Estimating Skills:
  - Steering & Suspension System Damage Analysis
  - Damage on Non-Drivable Vehicles
  - Flood & Fire Damage Analysis
  - Damage on Non-Drivable Vehicles
  - Electrical/Mechanical Systems
  - Stationary Glass
  - Advanced Materials
  - Advanced Vehicle Systems
  - Hail, Theft & Vandalism Damage
- Vehicle Operation, Maintenance & Troubleshooting
- Alternative Fuel & Hybrid Vehicle Repair Diagnostics
- Service Procedures & Scheduling
- Product Knowledge
- OEM Knowledge/Skills

### **COMPUTER SKILLS**

- Summit Software:
  - Job Costing
  - Production Flow
  - Production Planning - ETA Times & Dates
  - Internal & External Customer Communication
- Michell & Michell Repair Center Software
- Nugen IT
- Audatex Software
- CCC Info Systems Software
- Alldata Software
- Microsoft Office Suite

### **CONTINUOUS IMPROVEMENT**

- Teambuilding
- Root Cause Analysis
- Kaizen Event Strategy & Implementation
- Lean Concepts
- Standard Operating Procedures
- Leadership Skills for Frontline Workers
- Process/Quality Improvement
- Problem Solving/Decision Making Skills
- Inventory Control

### **HAZARDOUS MATERIALS**

- Completing Material Safety Data Sheets
- Volatile Organic Compound Tracking
- Emergency Clean-Up
- Registration, Evaluation, Authorization & Restriction of Chemical Substances

**Productive Lab**

0-24

**COMMERCIAL SKILLS**

- Body Filler Methods
- Structural Resistance Spot Welding
- MIG Brazing Techniques
- Color Tinting
- Spraying/Blending Techniques
- Measuring Vehicle Structures
- Alignment Process for Unitized Vehicles
- Estimating Collision Repairs
- Estimating System Software Skills
- Estimating Skills for DRP Processes

Safety Training will be limited to 10% of total training hours per-trainee

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