



**Training Proposal for:**

**PVH Corp.**

**Agreement Number: ET16-0267**

**Panel Meeting of:** December 4, 2015

**ETP Regional Office:** North Hollywood

**Analyst:** M. Webb

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate HUA	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	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: 2,300	U.S.: 8,000	Worldwide: 12,000
<u>Turnover Rate:</u>	7%		
<u>Managers/Supervisors:</u> (% of total trainees)	18%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$145,728		\$0	\$0		\$145,728

In-Kind Contribution:	100% of Total ETP Funding Required	\$174,064
-----------------------	------------------------------------	-----------

**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	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills	75	8-200	0	\$792	\$15.97
				Weighted Avg: 44			
2	Retrainee HUA Priority Rate	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills	109	8-200	0	\$792	\$11.98
				Weighted Avg: 44			

**Minimum Wage by County:** Job Number 1: \$15.97 per hour in Los Angeles County.  
 Job Number 2 (HUA): \$11.98 per hour in Los Angeles 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

Up to \$2.84 per hour may be used to meet the Post-Retention Wage in Job Number 1 and up to \$0.73 per hour in Job Number 2.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Distribution/Materials Staff		5
Customer Service Staff		4
Administration Support Staff		5
Operations Support Staff		7
Production Workers		20
Frontline Supervisors		24
Managers		10
<b>Job Number 2</b>		
Production Workers		44
Distribution/Materials Staff		27
Administration Support Staff		10
Customer Service Staff		13
Operations Support Staff		15

## **INTRODUCTION**

Founded in 1881, PVH Corp. (PVH) is one of the largest apparel/retail companies in the world. Headquartered in New York, PVH licensed brands include among others: Geoffrey Neeme®, BCBG Max Azria®, Kenneth Cole New York®, and Michael Kors®. In January 2007, PVH acquired Superba, Inc., a company that manufactures ties for retail stores in Los Angeles. This location is now a division of PVH, manufacturing ties, handkerchiefs and other accessories. Brands manufactured by this division include Tommy Hilfiger®, Calvin Klein®, Van Heusen®, and IZOD®. This will be the only division to receive training under this Agreement.

## **PROJECT DETAILS**

In order to provide customers with quality products at a competitive price and to keep pace with trends in apparel, PVH is implementing changes to their manufacturing process. The Company has identified specific areas of the production process that require improvement. These areas include customer service and communication training, implementing lean production procedures (Six Sigma), and increasing leadership skills among frontline Supervisors and Managers.

PVH's training plan for the Los Angeles division will focus primarily on the modernization of PVH business systems and procedures, in keeping with the change initiative discussed above. All staff will receive training in Continuous Improvement. Selected staff will receive training in Manufacturing, Computer and Business Skills.

Manufacturing training will be provided to Production Staff and Supervisors to increase productivity and handle inventory levels. As the Company continues to grow, cross-training will be provided to ensure staff is capable of running various machinery and equipment as needed. New Lean manufacturing initiatives will require Production Workers to take on more responsibility. Trainees will learn to resolve problems encountered on the line and apply a resolution to reduce cycle time and meet expected productivity levels.

### **Training Plan**

Training is designed to help PVH attain their goal of becoming a value-focused, customer driven organization. Trainees will learn to operate at higher performance levels, increase efficiencies and improve customer service skills.

**Business Skills (9%):** Training will be offered to Supervisors, Managers, Administrative Support and Customer Service Staff. The ability to present a unified, efficient and customer focused appearance to PVH clients is a critical aspect to the company's success. Trainees will learn new techniques and methods to improve customer service and communication skills.

**Computer Skills (8%):** Training will be offered to Administrative Support Staff, Distribution/Materials Staff, and Supervisors to utilize computer software. Topics in Intermediate/Advanced Microsoft Office and ERP System will be delivered in order to improve execution of daily tasks and collect, review, and submit data that can be used to evaluate facility operation.

**Manufacturing Skills (22%):** Training will be offered to Production Workers, Supervisors and Managers to increase quality and production efficiencies. New methods and procedures will be implemented in the production process that will reduce production times. Topics provided include Maintenance Skills and Equipment Operation.

**Continuous Improvement (61%):** Training will be offered to all occupations to acclimate staff to a high performing workplace. Training in Lean enterprises, team building, and process improvement will a high level of customer service as well as provide clientele with quality

products. Trainees will also learn to identify a problem, analyze, and develop solutions that will resolve issues that come about during the production process.

### **Commitment to Training**

PVH spends approximately \$35,000 annually for training delivered at its Los Angeles manufacturing facility. Training includes new hire orientation and job specific training for incumbent staff. Training methods utilized are class/lab and on the job training.

PVH 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

PVH has assigned staff members to work alongside the Company's third party administrator, Kirkpatrick Enterprises International, to perform administrative duties. Staff will provide employee information to enroll, track training hours, and schedule training. The Senior Director of Human Resources and Controller will oversee this ETP project.

### **High Unemployment Area**

Trainees in Job Number 2 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Panel may modify the ETP Minimum Wage by up to 25% if post retention wages exceed the start of training wages. PVH is asking for a wage modification for trainees in Job Number 2 (from \$15.97 to \$11.98).

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

Kirkpatrick Enterprises International (KEI) in Valencia assisted with development at no cost.

### **ADMINISTRATIVE SERVICES**

KEI will perform administrative services for a fee not to exceed 10% of payment earned.

### **TRAINING VENDORS**

KEI will provide training in Continuous Improvement and Computer Skills. Other trainers will be determined.

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

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Business Operations and Procedures
- Business Communication Skills
- Advanced Customer Relationship Skills
- Project Management
- Change Management
- Strategic Planning and Control
- World Class Leadership

**COMPUTER SKILLS**

- DRP/ERP Software and Reporting
- Intermediate/Advanced Microsoft Office

**CONTINUOUS IMPROVEMENT**

- Lean Manufacturing/ Six Sigma
- Leadership Skills for Frontline Workers
- Problem Solving/Root Cause
- Process Analysis

**MANUFACTURING SKILLS**

- Maintenance Skills
- Production Equipment Usage

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.