



RETRAINEE - JOB CREATION

Training Proposal for:

Reborn Cabinets

Agreement Number: ET17-0147

Panel Meeting of: July 22, 2016

ETP Regional Office: San Diego

Analyst: J. Davey

PROJECT PROFILE

Contract Attributes:	Job Creation Initiative Priority Rate Retrainee	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, Orange	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: 169	U.S.:169	Worldwide: 169
<u>Turnover Rate:</u>	14%		
<u>Managers/Supervisors:</u> (% of total trainees)	11%		

FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$266,040</td></tr> </table>	Program Costs	\$266,040	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(Substantial Contribution)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(Substantial Contribution)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(High Earner Reduction)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(High Earner Reduction)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Total ETP Funding</td></tr> <tr><td style="text-align: center;">\$266,040</td></tr> </table>	Total ETP Funding	\$266,040
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In-Kind Contribution:	100% of Total ETP Funding Required	\$289,556
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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, Commercial Skills, Computer Skills, Continuous Impr, Mfg Skills, Mgmt Skills, Literacy Skills	154	8-200	0	\$1,260	*\$16.48
				Weighted Avg: 70			
2	Retrainee Priority Rate Job Creation Initiative	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, Mfg Skills, Mgmt Skills, Literacy Skills	40	8-200	0	\$1,800	*\$13.73
				Weighted Avg: 90			

*It will be made a condition of contract that trainees will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: Job Number 1: Los Angeles County – \$16.48/hr.; Orange County – \$16.51/hr. Job Number 2: Los Angeles County – \$13.73/hr.; Orange County – \$13.76/hr.
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 \$5.00 per hour for Job Number 1 and up to \$3.76 per hour for Job Number 2 may be used to meet the Post-Retention Wage.
****Commission Income:** Sales Staff earn at least the state minimum wage (\$10.00/hr. in Orange County and \$10.50/hr in Los Angeles County), plus commission when newly hired. Once established, pay is based on straight commission, with employees typically earning between \$25 to \$45 per hour in commissions.

**The Company is not in Retail Trade. As such, occupations paid by commission do not fall under the Panel’s Lowest priority” for FY 2016/17.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Engineering Staff		4
Human Resources Staff		3
Installation Staff		27
Manager		17
Manufacturing Staff		26
Marketing Staff		22
Project Manager		10
Sales Staff		45

Job Number 2 – Job Creation		
Installation Staff		10
Manufacturing Staff		10
Sales Staff		20

INTRODUCTION

Founded in 1983, Reborn Cabinets, a family-owned company, designs, manufactures, and installs custom cabinetry for kitchens and baths. The Company's high-quality cabinetry is covered with a unique, catalyzed-conversion varnish finish that distinguishes it from its competitors. The Company's headquarters is located in Anaheim. It also has two showrooms in Lake Forest and Torrance.

Training will be for the employees in Anaheim and will also include employees from the Torrance and Lake Forest showrooms. The Company will be expanding, opening field offices in San Diego and Northern California; however, these two field offices will not be participating. Reborn Cabinets qualifies for standard retraining as a priority industry manufacturer.

PROJECT DETAILS

Reborn Cabinets has grown in the last two years, with sales increasing at a rate of 25% annually. With this, the Company has been trying to hire experienced workers to keep up with demand. However, since 2008 when construction ceased during the economic downturn, many left the industry permanently, leaving the industry with a shortage of skilled workers. The shortage can also be attributed to young people not being encouraged to seek employment in skilled trades. In responses to this shortage, the Company has created its own training program that employs two full-time instructors. This program will train workers with little to no experience towards a career in the industry.

Additionally, training will allow employees to increase their knowledge so they can be promoted to higher paying positions. Providing avenues for growth within the Company can help reduce turnover while keeping experienced workers in-house.

Retrainee - Job Creation

Reborn Cabinets will be expanding business capacity by hiring new employees. The Company is growing (as mentioned above) and has committed to hiring 40 new employees (Job Number 2). New, inexperienced Installation and Manufacturing Staff will be slowly trained on the Company's processes. These employees will allow the Company to keep up with demand. The Company will also be hiring Sales Staff. The date-of-hire will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Business Skills (25%): Sales, Marketing, and Human Resources Staff, Project Managers and Managers will participate in training to provide workers with the skills to better manage customer relationships, complex projects, and marketing campaigns; meet sales goals; and ensure effective communication with internal and external customers.

Commercial Skills (20%): Engineering Staff, Installation Staff, and Project Managers will be provided with training to ensure they have the technical skills to provide quality installation solutions for customers.

Computer Skills (10%): Employees in all occupations will have the opportunity to receive Computer Skills training. Managers, Sales and Project Management staff will be the primary focus for Flux, Resi Job Tracking Database and Buildertrend software training to effectively cost and manage projects. Microsoft Office training will be offered for job function efficiency.

Continuous Improvement (15%): Employees in all occupations, with a focus on Manufacturing and Project Management staff, will be provided training to sustain and enhance growth. Training in Lean Manufacturing, Teams, Improving Process Cycle Times and Leading Change will help current and new employees establish a continuous improvement mentality and focus on working effectively within teams. Project Managers will benefit from Time Management and Performance Management training to maximize efficiency and manage multiple priorities.

Manufacturing Skills (20%): Managers, Project Managers, and Engineering and Manufacturing Staff will receive training to better manage increased production demands that come with growth. Production Skills, Quality Systems Requirements, Production and Inventory Management and Writing Standard Operating Procedures will reduce production and inventory issues and ensure greater efficiency between departments. CNC and Forklift certification will provide workers with the skills to effectively and safely perform these operations.

Management Skills (8%): Managers will be provided with targeted training that will permit better management of their teams and develop the next level of leadership so that the organization can continue its growth trajectory.

Literacy Skills (2%): Select Installation & Manufacturing Staff whose limited language skills have been deemed a barrier to further their skills will have the opportunity to participate in Vocational English as a Second Language.

Commitment to Training

Reborn Cabinets 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.

Reborn Cabinets reports that it spends \$500,000 annually on training for its 3 facilities. All employees have participated in some form of training based on their specific jobs. There is particular emphasis on Manufacturing, Installation, and Sales Staff, especially the two former occupations as the Company has created its own in-house “university” to provide skills that are unavailable through any other source.

➤ Training Infrastructure

Reborn Cabinets employs 2 full-time instructors to train Manufacturing and Installation Staff and has internal subject-matter experts for other training areas. The Company will use internal administrative staff to schedule training and collect rosters. The Company has also retained California Manufacturing Technology Consulting to assist with administration.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

California Manufacturing Technology Consulting (CMTC) in Torrance assisted with development of this proposal. CMTC is eligible to receive 10% of the approved amount of funding for referrals such as this, under a marketing agreement with ETP, not to exceed \$15,000. In this proposal, the fee will be \$15,000. This fee does not affect the approved amount of funding.

ADMINISTRATIVE SERVICES

Reborn Cabinets also retained CMTC to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Sales Skills
- Advanced Sales Skills
- Negotiation & Overcoming Objectives
- Providing the Ultimate Customer Experience (for example)
 - Customer Service Skills
 - Telephone Skills and Etiquette
 - Proper Email Techniques
 - How to Ensure Customer Expectations are Met
- How to Measure and Draw Kitchen Projects
- Dealing with Difficult People
- Sales Skills for Customer Service Representatives
- Advanced Strategies for Social Media Marketing

COMMERCIAL SKILLS

- Signature Refacing Installation Training
- Bath Solution Installation Training

COMPUTER SKILLS

- MS Office Intermediate/Advanced
- Flux (Financial Management Software)
- Resi Job Tracking Database
- Buildertrend Software

CONTINUOUS IMPROVEMENT

- Lean Manufacturing
- Improving Process Cycle Times
- Teams and Team Building
- Leading Change
- Time Management Skills
- Motivating Your Team
- Leading Effective Meetings for Problem Solving
- Leadership
- Effective Delegation Strategies
 - Assigning Projects to Subordinates
 - Managing the Assigned Projects
 - Taking Corrective Action When Assignment Issues Arise
- Quality System Requirements, Good Manufacturing Practices & Inspections

MANUFACTURING SKILLS

- Productions Skills
 - Proper Set-Up of the CNC Machine
 - Proper Set-Up and Use for Table Saws
 - Proper Set-Up and Use of the Finish Sander
 - Proper Set-Up and Use of the Automated Finish Line
 - Proper Set-Up and Use of a Hand Router.
 - Proper Set-Up and Use of the Pin Router.
 - Proper Set-Up and Use of the Blum boring machine.
 - Proper Set-Up and Use of Pneumatic Hand Sanders
- Production and Inventory Management
- Forklift Training/Certification
- CNC Training/Certification
- Writing Standard Operating Procedures

MANAGEMENT SKILLS (Management Trainees Only)

- Management/Supervisory Skills
- Leadership Development & Succession Planning
- Essential Management Skills
- Succeeding as a New Manager

LITERACY SKILLS

- Vocational English as a Second Language (VESL)

Literacy Skills cannot exceed 45% of total training hours per-trainee

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

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