

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
Red Door Interactive, Inc.**

Small Business

ET17-0109

Approval Date: June 14, 2016

ETP Regional Office: San Diego

Analyst: M. Ray

CONTRACTOR

- Type of Industry: Technology/IT Services
Priority Industry: Yes No

- Number of Full-Time Employees
California: 72
Worldwide: 72
Number to be trained: 80
Owner Yes No

- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 2%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$41,600
- In-Kind Contribution: \$56,800

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 Priority Rate	Business Skills, Commercial Skills, Continuous Improvement, PL - Commercial Skills PL - Computer Skills	63	8 - 60	0 - 10	\$520	\$20.00
				Weighted Avg: 20			
2	Retrainee SB <100 Priority Rate Job Creation Initiative	Business Skills, Commercial Skills, Continuous Improvement, PL - Commercial Skills PL - Computer Skills	17	8 - 60	0 - 10	\$520	\$20.00
				Weighted Avg: 20			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority

- County: San Diego
- Occupations to be Trained: Administrative Support Staff, Information Technology Staff, Professional Staff, Technical Project Manager, Manager/Supervisor, and Owner

- Union Representation: Yes
 No

- Health Benefits: N/A

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: B2B CFO in Encinitas will provide training in Business Skills; Lean Business Solutions in San Diego will provide training in Continuous Improvement; Duarte Academy in Sunnyvale will provide training in Business Skills; University of California, San Diego will provide training in Continuous Improvement; and HR Results in San Diego will provide training in Business Skills.

OVERVIEW

Founded in 2002, and headquartered in San Diego, Red Door Interactive, Inc. (Red Door) (www.reddoor.biz) provides creative internet strategy and design; marketing and advertising; user experience and information architecture; branding and personas; digital analytics; and software architecture and programming. These services help its clients attract new customers, drive new sales of customer products and services, and retain and grow each client's customer base to drive profitability of their online initiatives. Red Door's customer base includes medium-sized companies and divisions of large corporations such as ASICS, SKLZ, Bosch & Thermador, San Diego County Credit Union, Univision, Shea Homes, Qualcomm, and CenturyLink.

This will be the third Agreement between ETP and Red Door in the last five years. In its two previous projects, the Company was able to standardize work processes and deliver formal, structured training in internet technologies, social media strategies & technologies, search engine optimization strategies, and process improvement skills for workers at the Company's San Diego and Carlsbad locations.

The ever-changing landscape of the digital marketing industry has required Red Door to continually focus on constant technological updates of its products and services. To confront ongoing changes, Red Door must continue to provide its workforce with extensive training focusing on high-level technical and customer service skills necessary to continue to serve its clients and increase market shares. Training will occur at its current San Diego location and new Encinitas facility.

To realize its business goals, the Company has committed to emphasize on storytelling and presentation skills using digital art to effectively depict its customers' business to improve marketing results for its customers in order to maximize their customer's respective markets. To this end, Red Door created a product and services roadmap to provide detailed, data-driven insights for superior strategic marketing recommendations for customers to tell their stories. To further support its goals, Red Door recently adopted a number of new platforms such as DOMO (big data dashboarding), SharePoint (document management), Kentico (content management system for websites), and Jama (requirements traceability management) in order to fully integrate the Company's web content management, online marketing, and intranet in order to evolve its services and improve marketing effectiveness.

With the continued support from ETP-funded training, Red Door is once again in a position to provide extensive knowledge and skills training to its California workers to assist the Company's customers to successfully align their marketing efforts with their overall business goals. Funding will continue to allow the Company to exceed customer expectations, improve output, and increase its global presence.

Retrainee-Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

In April 2016, in an effort to expand its business capacity and workforce with more physical space, Red Door moved its entire Carlsbad workforce to a new location in Encinitas. In this proposal, the Company has committed to hiring 17 new employees (Professional Staff, Administrative Support Staff, Technical Project Managers, Managers/Supervisors, and Information Technology Staff). The Company had begun hiring in March, 2016 and will continue

to hire quarterly (between three and four workers) through the first half of 2017. These newly-hired workers (Job Number 2) will allow the Company to meet increased demands of current customers and service an increasing client base.

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. These trainees will be hired into “net new jobs” as a condition of contract.

Training Plan

In this proposal, some curriculum topics are repeated from the prior agreement; however, Red Door ensures that the subject matter has been updated and/or improved; thus, no duplication of training will occur in those courses. Employees who participated in the prior training plan will not receive the same skill sets delivered previously. In addition, the proposed project will include a large percentage (27%) of newly-hired Job Creation trainees (Job Number 2) who have not received ETP training in the past.

The following training will be delivered by both in-house trainers and outside training vendors via class/lab, E-Learning, and Productive Laboratory setting at the Company’s San Diego and Encinitas locations:

Business Skills – Training will be offered to all occupations as it pertains to their job duties. Course topics include: Standard Operating Procedures, Financial Acumen, Risk Management Best Practices, Time Management, Effective Sales and Client Presentations, Negotiation Skills, and Interpersonal Communication Skills. These skill sets are necessary to attract, sell, service, and maintain new as well as current accounts.

Commercial Skills – All occupations will receive training as it relates to their individual job functions. Training will include New Product/Service Knowledge, CRM Platforms, Statistics and Data Mining/Predictive Analytics, DOMO Platform, and Google Analytics. Training will allow employees to update their skills necessary to rollout SharePoint, a new document management system, to improve efficiency and maintain high quality and clarity in client work.

Computer Skills – Training will be offered to all occupations. Course topics will be in new and existing software systems such as Programming Languages, Kentico, and Responsive Design as well as Microsoft Office Suite. Training will provide employees the skills to effectively utilize its systems to refine and formalize the Company’s new deliverables and services to support telling stories with data.

The Company also plans to use CBT as a delivery method. Business and Computer Skills in CBT will allow self-paced reinforcement of Class/Lab training at a trainee’s workstation.

Continuous Improvement – Training will be offered to all occupations to improve processes and efficiencies throughout the Company by providing topics such as Leadership Skills and Project Management Fundamentals. With the opening of Red Door’s new location, Lean Six Sigma training will allow the Company to provide employees with tools on how to streamline operations, improve processes, and increase customer service.

Productive Laboratory – Commercial and Computer Skills

The Panel has adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum.

Through this proposal, Red Door requests PL training in both Commercial and Computer Skills. PL training is necessary to successfully perform the Company's standard marketing functions. PL training will be specific to the Company's products, services, and software systems. Topics will be the same as the Commercial and Computer Skills mentioned above and will be delivered to reinforce class/lab training. Training will allow workers to successfully produce a client deliverable or other project work product using new tool, technology, or process that will enable project teams to complete a client request.

A tasks and competencies evaluation has been provided which reflects PL course topics may take up to 16 hours to complete for approximately 20 to 35 Professional Staff and Technical Project Managers who are significantly impacted by the Company's overall strategic business goals.

PL trainers will be qualified and/or certified to instruct and deliver the course content and material. Trainers will be responsible for directing the operations and instructions as well as providing immediate feedback to the trainee as work is performed. Trainers will document all training daily.

The trainer-to-trainee ratio for PL will be 1:1. Training is conducted during work hours, and the trainee and trainer are in constant communication and involved in a detailed analysis of the assigned work. Since the trainer's time is dedicated to training/coaching/evaluation, there is a lower production rate by the trainee. Often, the training period affects the deliverable in productivity and quality. As such, it is expected that PL training will be provided in a structured environment where trainees may produce less, requiring some rework during the training period.

Temporary to Permanent Hiring

Red Door intends to train 17 workers in Job Number 2 under Panel guidelines for "temporary to permanent" employment. The Company will retain these employees on a temporary basis, with the intention of hiring them into full-time, permanent positions after training. Red Door hires entry-level college graduates or less-experienced employees to allow the Company to train them into applying standard marketing skills specific to Red Door's templates and processes. Historically, Red Door is able to convert the majority of these temporary workers into permanent positions. The overall process may take up to six months.

Therefore, the average time for "converting" temporary workers into full-time permanent employment is approximately six months. It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums while on temporary status, and upon hire into full-time permanent employment.

These trainees must be eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code Section 10201(c). However, they cannot be enrolled as trainees until after they have been hired by Red Door. Moreover, until they are so hired, retention and post-retention wage requirements cannot be satisfied and Red Door will not receive progress payments.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0238	Carlsbad and San Diego	12/31/13 – 12/30/15	\$49,140	\$37,650 (77%)
ET12-0195	Carlsbad and San Diego	12/23/11 – 12/22/13	\$49,400	\$49,400 (100%)

Exhibit B: Menu Curriculum**Class/Lab and E-Learning Hours**

8 – 60

Trainees may receive any of the following:

BUSINESS SKILLS

- Standard Operating Procedures (SOP)
 - Document Management on Intranet (SharePoint: Documents - Part 1: Document Management)
 - Applying Styles to Documentation on Intranet (SharePoint: Documents - Part 2: Applying RDI Styles)
 - SharePoint Search
 - Requirements Management & Quality Best Practices in JAMA
 - Invoicing Best Practices
- Financial Acumen
 - Financial Acumen for Managers
 - Financial Acumen for Client Services Department
 - Financial Acumen for Technical & Professional Staff (Ownership Thinking)
 - Project Estimation for Demand and Capacity Data
- Risk Management Best Practices
- Time Management
- Effective Sales and Client Presentations
 - Sales & Marketing Presentation Skills (Pitch Prep Process)
 - Presentation Skills & Advanced Presentation Skills (Public Speaking)
 - The Basics of Storytelling
 - Storytelling for Marketing Campaigns
 - Storytelling for C-Suite Presentations
 - Content Development Principles - Video, PPT, Graphs & Charts, Illustrations
- Negotiation Skills
- Interpersonal Communication Skills

COMMERCIAL SKILLS

- New Product/Service Knowledge:
 - Search Engine Optimization - Advances in Technologies and Algorithms
 - Social Media Strategies & New Platforms
 - Paid Media - Display Strategies & Technology Advances
 - Paid Media – Social and Advertising Strategies & Technical Advances
 - Digital Analytics (New Tools and Technological Advances)
 - Emerging Technologies: Big Data, Social Networks, eCommerce, Mobile & Responsive Design, Loyalty Programs, KnowledgeBase
- CRM Platforms: Kentico CRM Functions
- Statistics and Data Mining/Predictive Analytics
- DOMO Platform: Database Mining & Dashboard Presentations
- Google Analytics

COMPUTER SKILLS

- PHP, Javascript, HTML 5
- Programming Languages - .NET
- Kentico Platform
- Responsive Design
- Microsoft Office Suite
 - Advanced Excel
 - PowerPoint
 - Advanced Outlook/Exchange

CONTINUOUS IMPROVEMENT

- Lean Six Sigma
- Leadership Skills
- Project Management Fundamentals

Productive Lab

0 – 16

COMMERCIAL SKILLS (1:1 ratio)

- New Product/Service Knowledge:
 - Search Engine Optimization - Advances in Technologies and Algorithms
 - Social Media Strategies & New Platforms
 - Paid Media - Display Strategies & Technology Advances
 - Paid Media – Social and Advertising Strategies & Technical Advances
 - Digital Analytics (New Tools and Technological Advances)
 - Emerging Technologies: Big Data, Social Networks, eCommerce, Mobile & Responsive Design, Loyalty Programs, KnowledgeBase
- CRM Platforms: Kentico CRM Functions
- Statistics and Data Mining/Predictive Analytics
- DOMO Platform: Database Mining & Dashboard Presentations
- Google Analytics

COMPUTER SKILLS (1:1 ratio)

- PHP, Javascript, HTML 5
- Programming Languages - .NET
- Kentico Platform
- Responsive Design

CBT Hours

0 – 10

BUSINESS SKILLS

- Presentation Skills
 - Creating a Presentation (1 hour)
 - Planning a Presentation (1 hour)
 - Delivering a Presentation (1 hour)
 - Communicating Effectively with Senior Executives (1 hour)
- Business Writing
 - How to Write Clearly & Concisely (2 hours)
 - Know your Readers and your Purpose (1 hour)

- Customer Service
 - Fundamentals (1 hour)
 - Confrontation & Conflict (1 hour)
- Interpersonal Communication
 - Listening (1 hour)
 - Communicating w/Confidence (1 hour)

COMPUTER SKILLS

- Microsoft Office Suite
 - Advanced Excel (3 hours)
 - PowerPoint (3 hours)
 - Advanced Outlook/Exchange (2 hours)
 - Sharepoint 2013 (1 hour)

Note: Reimbursement for retraining is capped at 60 total hours, per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours, per-trainee. PL is capped at 16 hours per-trainee.