



**Retrainee – Job Creation  
Training Proposal for:  
Sky One, Inc. dba Vertex China**

**Small Business  $\leq$  \$50,000**

**ET15-0143**

**Panel Meeting of:** June 27, 2014

**ETP Regional Office:** North Hollywood      **Analyst:** L. Vuong

**CONTRACTOR**

- Type of Industry: Manufacturing
  
  - Number of Full-Time Employees
    - California: 17
    - Worldwide: 17
    - Number to be trained: 18
  
  - Out-of-State Competition: NAICS Code Eligible
  - Special Employment Training (SET):  Yes  No
  - High Unemployment Area (HUA):  Yes  No
  - Turnover Rate: 15%
  - Repeat Contractor:  Yes  No
- Priority Industry:  Yes  No
- Owner  Yes  No

**FUNDING**

- Requested Amount: \$26,208
- In-Kind Contribution: \$29,000

**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		
1	Retrainee Priority Rate SB <100	Business Skills, Computer Skills, Continuous Impr., Mfg. Skills	17	8-100	0	\$1,456	\$16.04
				Weighted Avg: 56			
2	Retrainee Priority Rate SB <100 Job Creation Initiative	Business Skills, Computer Skills, Continuous Impr., Mfg. Skills	1	8-100	0	\$1,456	\$13.37
				Weighted Avg: 56			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Production Staff, Customer Service Staff, Administrative Staff, Supervisor, Owner
- Union Representation:  Yes  
 No
- Health Benefits: Job #'s 1 & 2: \$2.49 per hour

**SUBCONTRACTORS**

- Development Services: Training Funding Source (TFS) in Seal Beach, assisted in the development for a flat fee of \$1,000.
- Administrative Services: TFS will also provide administrative services for the amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Sky One, Inc. dba Vertex China (Vertex) designs, manufactures, and distributes high-end, custom porcelain and glass dinnerware for foodservice markets worldwide; along with a line of tabletop wood products that include bowls, spoons, and breadboards.

As a small company, Vertex faces increasing challenges in technology along with the demand for customized products at a lower price. To remain competitive in a changing business environment, the Company replaced its software system with an advanced design system to improve business functions and to keep up with the latest computer technology. Its goal is to

provide training in all aspects of the new system to upgrade technical skills, manage database, emails, inventory, financials and business practices with one affordable solution.

Vertex reported that its quality products and customer service helped it grow rapidly and sales have increased in comparison to the past years. In the next few months, Vertex anticipates an increase in business, workforce and revenue, and will be moving to a larger facility within the Los Angeles area by the summer of 2014.

This will be the fifth Agreement between ETP and Vertex. A Substantial Contribution does not apply because the Company has not earned \$250,000 or more within the previous five years.

### **Retrainee – Job Creation**

Vertex needs to hire and train new employees in the next few months and is committed to hiring one Production Staff trainee in Job Number 2. To be eligible for reimbursement, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract. In support of job creation, trainees will be subject to a lower post-retention wage.

### **Training Plan**

Although this would be Vertex's fifth training Agreement, this will be the first training for all occupations. This new proposal focuses more on new software applications where as the prior Agreement focused primarily on Manufacturing Skills. Vertex has developed a company-wide program to upgrade the job skills of its employees and continue to keep up with the latest computer technology. In addition, workers will gain knowledge and experience to produce better products and provide better services. None of the training from the prior ETP Agreement will be repeated except for new trainees.

**Business Skills** – This training will be offered to all occupations. Trainees will become proactive with customers, develop communication skills, customer relationship skills, and client servicing skills to present a unified, efficient, and customer-focused approach to its customers.

**Computer Skills** – This training will be offered to all occupations. Trainees will learn all aspects of the new software (Info FX). Trainees will also learn new order entry, inventory, and accounting to support customers and manage overall business operations.

**Continuous Improvement** – This training will be offered to all occupations and focus on efficiency, teamwork, time management, improve production, increase sales and support services, help keep current customers and attract new customers.

**Manufacturing Skills** – This training will be offered to all occupations and focus on product development and knowledge, day-to-day operations, meeting customer requirements and providing better products.

### **Training Hours Limitation**

Small Business proposals are capped at 60 hours of training per trainee. However, Vertex requests a modification of the cap to provide up to 100 hours of training per trainee in Job Numbers 1 and 2. The proposed curriculum is designed to enable trainees to handle the high technology requirements and complexity of the new software applications, increased customized customer requirements and respond quickly to market trends. The Company also requests a two-year contract term to provide all training without a delay in production and services.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by Vertex under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0306	Walnut	02/14/12 – 02/13/14	\$17,160	\$17,160 (100%)
ET10-0155	Walnut	09/08/09 – 09/07/11	\$26,000	\$23,801 (92%)
ET08-0178	Walnut	08/07/07 – 08/06/09	\$25,350	\$25,350 (100%)

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8 – 100

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Client Relationship
- Communication Skills
- Problem Solving
- Presentation Skills
- Product Knowledge
- Profit Analysis
- Sales Skills

**COMPUTER SKILLS**

- Infor FX (Enterprise/MRP)
- Microsoft Office Applications
- Product Photo Art
- Social Media Applications (Marketing, Sales, Customer Contact)

**CONTINUOUS IMPROVEMENT**

- International Organization for Standardization 9000
- Time Management
- Team Building

**MANUFACTURING SKILLS**

- Equipment Operations
- Product Development
- Quality Management

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

Note: Reimbursement for retraining is capped at 100 total hours per-trainee, regardless of method of delivery.