

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
Stack Labs, Inc.**

Small Business

ET17-0143

Approval Date: July 25, 2016

ETP Regional Office: San Francisco Bay Area

Analyst: V. Estrada

CONTRACTOR

- Type of Industry: Manufacturing

 - Number of Full-Time Employees
 - California: 33
 - Worldwide: 36
 - Number to be trained: 37

 - Out-of-State Competition: NAICS Code Eligible
 - Special Employment Training (SET): Yes No
 - High Unemployment Area (HUA): Yes No
 - Turnover Rate: 9%
 - Repeat Contractor: Yes No
- Priority Industry: Yes No
- Owner Yes No

FUNDING

- Requested Amount: \$9,620
- In-Kind Contribution: \$5,888

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, Computer Skills, Commercial Skills, Continuous Impr | 31 | 8-60 | 0 | \$260 | \$25.00 |
| | | | | Weighted Avg: 10 | | | |
| 2 | Retrainee Job Creation Initiative SB <100 Priority Rate | Business Skills, Computer Skills, Commercial Skills, Continuous Impr | 6 | 8-60 | 0 | \$260 | \$25.00 |
| | | | | Weighted Avg: 10 | | | |

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): Alameda
- Occupations to be Trained: Chief Officers/Vice President, Engineers, Owner, Managers, Sales/Business Staff, Technical Staff
- Union Representation: Yes
 No
- Health Benefits: N/A

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: CBC Solution in Campbell will provide training services for Commercial and Continuous Improvement courses.

OVERVIEW

Founded in 2013 and located in Cupertino, Stack Labs, Inc. (Stack) (www.stacklighting.com) designs and manufactures responsive lighting solutions that enhance daily comfort while saving energy. Stack's first lightbulb, the Stack Classic, is the world's first fully responsive light bulb that can automatically adjust to its environment. For example, the Stack Classic maintains the right color of light, from a cooler blue-white in the morning to a warmer yellow-white at night, to set the right mood and be in tune with the surrounding space and time of day. Customers include residential properties and commercial offices.

Need for Training

Training will focus on improving Stack's business operations by providing its staff with skills in business administration, strategic planning, and project management. The lighting industry is highly competitive with new innovations in energy consumption occurring constantly. Therefore, Stack's employees need training to maintain and improve their skills to keep current with industry demands. Using both in-house and outside vendors, Stack will advance their employees' skillset to improve communication, adjust to industry demands, and maximize efficiency.

Training will allow the Company to adjust to the demands of its growing business (it has doubled in size over the past year.) Additionally, the Company has been preparing to release its new product, the Stack Downlight. Product knowledge will help the Company adequately service the new product.

Retrainee - 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 2015, in response to the development and eventual release of its first product, Stack hired a total of 20 new employees. For this proposal, the Company has committed to hiring 6 new employees (Job Number 2) to prepare for the release of a new product. 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. Trainees will be hired into "net new jobs" as a condition of the contract.

Training Plan

Trainees will receive the following courses via Class/Lab:

Business Skills - Training will be offered all to occupations. Topics include project management, communication skills, and business administration. Training will drive work teams to be highly skilled in initiating, planning, and executing company goals.

Commercial Skills - Training will be offered to all occupations. Topics include cloud-based communication technology, web-based camera integration, and industry standards. Training will increase industry knowledge so trainees can be up-to-date with technology.

Computer Skills - Training will be offered to all occupations. Topics include computer programming, high-performance Wi-Fi technology, and cloud-based storage. Trainees will gain a full understanding of how bulbs and sensors operate while increasing product knowledge.

Continuous Improvement - Training will be offered to all occupations. Topics include problem-solving, process improvement, and performance management. This training will result in improved problem-solving and communications and increased efficiencies in the workplace.

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

- Business Performance
- Communication Skills
- Small Business Administration

COMPUTER SKILLS

- Computer Programming
 - C++
 - Cloud-Based Storage Advancements
 - High Performance Wi-Fi Technology
 - Java
 - Python
- Overview of High Performance Wi-Fi Technology

COMMERCIAL SKILLS

- Emerging Technology Fabrication & Testing:
 - Cloud-Based Communications Technology
 - Web-Based Camera Integration
- Global Market Requirements
- Mandatory Market Requirements for North America
- Voluntary Industry Standards for North America

CONTINUOUS IMPROVEMENT

- Coaching
- Customer Value of Industry Compliance
- Decision Making
- Developing Teams
- Evaluations
- Leadership Skills
- Motivation
- Performance Management
- Problem Solving
- Process Improvement
- Project Management
- Strategic Planning
- Teambuilding
- Value of Industry Compliance

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