



**Retrainee - Job Creation
Training Proposal for:
Vionic Group LLC**

Small Business ≤ \$50,000

ET15-0385

Approval Date: February 2, 2015

ETP Regional Office: San Francisco Bay Area

Analyst: R. Jackson

CONTRACTOR

- Type of Industry: Manufacturing
- Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 72
 - Worldwide: 79
 - Number to be trained: 61
 - Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 8%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$40,690
- In-Kind Contribution: \$140,000

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 SB <100 Priority Rate	Business Skills, Computer Skills, Continuous Improvement	53	8-60	0	\$650	\$16.44
				Weighted Avg: 25			
2	Retrainee Job Creation SB<100 Priority Rate	Business Skills, Computer Skills, Continuous Improvement	8	8-60	0	\$780	\$13.70
				Weighted Avg: 30			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Marin
- Occupations to be Trained: Sales and Marketing Supervisor, Customer Service Supervisor, Administrative Services Supervisor, Sales and Marketing Staff, Operations and Finance Staff, Customer Service, HR Supervisor
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$0.44 per hour

SUBCONTRACTORS

- Development Services: Training Funding Source, Seal Beach, assisted with development for a flat fee of \$2,500.
- Administrative Services: Training Funding Source will provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Established in 1979 and headquartered in San Rafael, Vionic Group LLC (Vionic) designs, manufactures and sells orthopedic footwear and orthotics. Products are sold on the Company’s website, through retail outlets (QVC TV, Zappos) and in physician offices. The Company workforce has doubled in last year and plans to hire additional employees this year. Vionic states that consumer demand for footwear reportedly grew 3.7% in 2013 and company sales grew by 25% in the same period.

Workforce training is essential to remain competitive and improve the skills of frontline workers. Vionic also plans to continue expanding into new markets in Asia and Europe. Training will assist the Company manage their rapid growth and customer demands. ETP training will also assist Vionic in skill upgrades specifically related to new software being acquired including

Enterprise Resource Planning (ERP) and Product Lifecycle Management (Centric software). These new information systems are being utilized to strengthen internal processes and improve customer service.

In addition, customers are demanding shorter lead times, lower pricing, higher quality materials and more product categories. Such requests are driving Vionic to focus on efficiency, new products, and improved customer service.

Training Plan

Business Skills - Training will be offered to all occupations to improve communication skills, develop and introduce new procedures, strengthen leadership, and improve marketing and customer service.

Computer Skills - Training will be offered to all occupations to integrate new software systems and improve technical skills. Vionic has several distinct products in inventory and has a very active ECommerce program that requires constant updates and increased technical knowledge. Computer Skills training will cover all software applications, the new ERP system, and any software related to customer service and product management.

Continuous Improvement - Training will be offered to all occupations. Training will improve Vionic's efficiency and productivity by implementing process improvements throughout the organization. Coursework also includes financial and budget management to help increase employee awareness of why reducing waste and becoming more efficient is critical to Vionic's success. Skill upgrades will improve the Company's competitive advantage, reduce costs, shorten lead times and improve their ability to capture new business and maintain business.

Retrainee - Job Creation

The Panel offers 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. Trainees must be hired within a three-month period prior to the Panel approval or during the term of the Agreement.

In this proposal, Vionic has committed to hiring eight new employees (Job Number 2). The date-of-hire for trainees will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Business expansion rates at Vionic have led to conservative hiring estimates targeting planned hiring of eight employees through 2016. Vionic has also signed a lease in 2014 adding an additional floor of office space to accommodate new employees and expanded business. The new occupations include HR Manager, Sales, Marketing, Operations, and Finance Staff.

Contract Term Limitation

Although a small business, this project includes a Job Creation hiring component. Vionic states that a 24-month Agreement will provide the time needed to hire, train, and retain newly hired employees as the company expands.

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

-  Coaching
-  Communication
-  Conflict Resolution
-  Customer Relations
-  Data mining
-  Finance
-  Goal Setting
-  Inventory Control
-  Leadership
-  Quoting procedures
-  Team Cohesiveness

COMPUTER SKILLS

-  ERP Software
-  Product Lifecycle Management System
-  MicroSoft Office

CONTINUOUS IMPROVEMENT

-  Process Improvement
-  Productivity Improvement
-  Quality improvement

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