



**Critical Proposal
 Retrainee - Job Creation
 Training Proposal for:
 Virun, Inc.**

Small Business

ET17-0221

Approval Date: September 26, 2016

ETP Regional Office: North Hollywood **Analyst:** M. Niquet

CONTRACTOR

- Type of Industry: Biotechnology/Life Sciences

- Number of Full-Time Employees
 - California: 15
 - Worldwide: 15
 - Number to be trained: 25
 - Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 5%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$33,150
- In-Kind Contribution: \$28,201

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, Cont. Imp., HazMat, Literacy Skills, Mgmt. Skills, Mfg. Skills	13	8-60	0-8	\$1,170	\$16.48
				Weighted Avg: 45			
2	Retrainee SB <100 Job Creation Initiative Priority Rate	Business Skills, Computer Skills, Cont. Imp., HazMat, Literacy Skills, Mgmt. Skills, Mfg. Skills	10	8-60	0-8	\$1,560	*\$15.00
				Weighted Avg: 60			

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

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Administration Staff, Production Staff, Science Officers, Supervisor/Manager
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$1.48 per hour

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

Critical Proposal

This Proposal for Virun, Inc. (Virun) has been designated a Critical Proposal by the Governor's Office of Business and Economic development based on Virun's planned business expansion and commitment to adding new jobs in California.

OVERVIEW

Formed in 2003 and headquartered in Walnut, Virun (www.virun.com) is a Nutra-BioSciences® company that specializes in formulating difficult-to-dissolve ingredients for the food, beverage and health supplement markets.

Since inception, Virun has developed over 100 liquid and powdered concentrate variants, and filed more than 50 patents and patent applications world-wide that focus on delivering these ingredients safely and effectively. Virun has successfully branded many of its own compounds and ingredients, including OmegaH2O® Omega-3 EPA DHA and CoenzymeClear™ CoQ10, PQQwater™ PQQ, and AstaXH2O®. Virun-formulated products are carried in niche markets such as Whole Foods, Erewhon, Krogers, and the European and Asian marketplaces.

The proposed training will enable Virun to upgrade the skills of its existing workforce, integrate new employees, and implement process improvements designed to enhance business productivity and efficiency.

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.

In March 2016, Virun moved into a new 10,000 square foot building in Pomona. The facility features new stainless steel production tanks, tripling its previous production capacity. Virun also invested in a \$300,000 bottling line, and will bring its co-packaging function in-house. Virun has also added cold storage, a new spray-dryer, and an exponentially larger laboratory to the facility.

The Company has committed to hiring 10 new employees (Job Number 2). The date-of-hire for all trainees 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

The majority of training will be delivered via class/lab; however, a small percentage of training will be conducted via computer-based training (CBT). Specified CBT courses will provide scheduling flexibility to develop skills.

Training will be provided at the Pomona facility by a combination of in-house experts and outside vendors in the following:

Business Skills: Training will be offered to Supervisors/Managers, Science Officers and Administrative and Production Staff. These skills are needed to better serve customers and ensure that staff is capable of handling its current and future growth.

Computer Skills: Training will be offered to Supervisors/Managers, Science Officers and Administrative Staff. Overall skills in software including Microsoft Excel, Windows 10 and inventory control will help staff analyze and determine customer needs, recognize industry trends and control costs.

Continuous Improvement: Training will be offered to Science Officers, Administrative and Production Staff. Employee development is critical to recognize staff strengths and weaknesses to improve productivity.

Hazardous Materials: Training will be offered to Supervisors/Managers, Science Officers and Production Staff. As a biotechnology company, employees are continually exposed to food and beverage ingredients and chemicals which require safe handling, and proper testing and management for increased efficiency of production.

Management Skills: Training will be offered to Supervisors/Managers in leadership, teambuilding and communication. Training is critical to manage and drive the growth of the company, as well as control turnover and training costs.

Manufacturing Skills: Training will be offered to Supervisors/Managers, Science Officers and Production Staff. It is crucial that all employees with any exposure to product manufacturing have training in all steps of the process.

Literacy Skills: Training will be offered to Science Officers, Production and Administrative Staff. It is necessary for Virun employees to have the language skills necessary to communicate effectively with other employees, scientific and supervisory staff, and VIRUN customers.

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

- Batchmaster
- Coaching
- Communication
- Customer Service Strategies and Tactics
- eCommerce
- Finance/Accounting Procedures
- Inventory Control
- Lead Generation and Lead Development Strategies
- Leadership
- Negotiation Skills
- Planning
- Product Knowledge
- Selling Tactics
- Sales Process
- Social Media
- Strategy Development Process
- Time Management
- Up-Selling and Cross-Selling
- Work Processes/Procedures

COMPUTER SKILLS

- eCommerce
- Electronic Document Control
- Microsoft Office
- Project Management

CONTINUOUS IMPROVEMENT

- Problem Solving
- Team Building
- Quality Concepts
- Total Quality Management
- Production Scheduling
- Production Operations/Workflow
- Process Improvement
- Decision Making
- Strategic Planning
- Evaluations
- Monitoring

HAZARDOUS MATERIALS

- Hazardous Materials Handling
- Hazardous Chemicals Cleaning/Handling
- Hazardous Waste Cleaning
- Food Processing Health Risks

- Forklift Training
- Lockout/Tagout Methodology
- Industrial Hazards Training

MANAGEMENT SKILLS (Manager/Supervisors Only)

- Leadership
- Decision Making
- Motivation
- Teambuilding
- Administration
- Coaching
- Conflict Management

MANUFACTURING SKILLS

- Basic Production Skills
- Good Manufacturing Processes
- Inspection Techniques
- Lean Manufacturing (5S, Visual Controls, Value Stream Mapping, Kaizen)
- Picking/Packing/Shipping/Receiving
- Problem Solving/Six Sigma Process Controls
- Process/Quality Improvement
- Quality Assurance Procedures
- Root Cause Analysis/Corrective Action
- Equipment Operation/Maintenance/Troubleshooting
- Inventory Controls
- Warehouse Controls
- PLS Programming

LITERACY SKILLS

- Industry-Specific Vocabulary
- Basic Report Writing for English Learners

CBT Hours

0 - 8

COMPUTER SKILLS

- MS Office
 - Excel (3.5 hours)
 - Microsoft Project (2.25 hours)
 - Microsoft Publisher (2.5 hours)

Literacy Training cannot exceed 45% of total training hours per-trainee.
Safety Training cannot exceed 10% of total training hours per-trainee (This cap does not apply to Hazmat)

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours per trainee. Literacy Skills is capped at 45% of total training hours per trainee.