# RETRAINEE - JOB CREATION

Training Proposal for:

**On-Site Manager, Inc.**

**Agreement Number:** ET17-0435

**Panel Meeting of:** March 24, 2017

**ETP Regional Office:** San Francisco Bay Area  
**Analyst:** C. Hoover

## PROJECT PROFILE

<table>
<thead>
<tr>
<th>Contract Attributes:</th>
<th>Retraining</th>
<th>Priority Rate</th>
<th>Job Creation Initiative</th>
<th>Industry Sector(s):</th>
<th>Technology/Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Priority Industry:</td>
<td>Yes □ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Counties Served:</th>
<th>Santa Clara</th>
<th>Repeat Contractor:</th>
<th>Yes □ No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union(s):</td>
<td>Yes □ No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Employees in:</th>
<th>CA: 166</th>
<th>U.S.: 234</th>
<th>Worldwide: 235</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover Rate:</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers/Supervisors:</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| (%) of total trainees) | 5%      |           |                 |

## FUNDING DETAIL

<table>
<thead>
<tr>
<th>Program Costs</th>
<th>(Substantial Contribution)</th>
<th>(High Earner Reduction)</th>
<th>Total ETP Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>$333,852</td>
<td>$0</td>
<td>$0</td>
<td>$333,852</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In-Kind Contribution:</th>
<th>100% of Total ETP Funding Required</th>
<th>$503,186</th>
</tr>
</thead>
</table>
## TRAINING PLAN TABLE

<table>
<thead>
<tr>
<th>Job No.</th>
<th>Job Description</th>
<th>Type of Training</th>
<th>Estimated No. of Trainees</th>
<th>Range of Hours</th>
<th>Average Cost per Trainee</th>
<th>Post-Retention Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retraining Priority Rate</td>
<td>Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Management Skills, Advanced Technology</td>
<td>142</td>
<td>8-200 0-2 Weighted Avg: 92</td>
<td>$1,656</td>
<td>$17.63</td>
</tr>
<tr>
<td>2</td>
<td>Job Creation Initiative</td>
<td>Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Management Skills, Advanced Technology</td>
<td>47</td>
<td>8-200 0-2 Weighted Avg: 105</td>
<td>$2,100</td>
<td>*$15.00</td>
</tr>
</tbody>
</table>

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

**Minimum Wage by County:** Job Number 1 (Retraining) - $17.63 per hour for Santa Clara, San Francisco and San Mateo counties; $16.96 per hour for Los Angeles County; $17.22 per hour for Orange County; and, $16.72 per hour for San Diego County.

Job Number 2 (Job Creation) - $14.69 per hour for Santa Clara, San Francisco and San Mateo counties; $14.13 per hour for Los Angeles County; $14.35 per hour for Orange County; and, $13.94 per hour for San Diego County.

**Health Benefits:** ☑ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?**: ☑ Yes ☐ No ☐ Maybe

Up to $2.63 per hour may be used to meet the Post-Retention Wage for Job Number 1.

### Wage Range by Occupation

<table>
<thead>
<tr>
<th>Occupation Titles</th>
<th>Wage Range</th>
<th>Estimated # of Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Number 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing I</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Marketing II</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Administration I</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Administration II</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Client Services</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Project Manager I</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>
**INTRODUCTION**

Founded in 1999 and headquartered in Campbell, On-Site Manager, Inc. (On-Site) (www.on-site.com) is a provider of cloud-based software solutions for the rental real estate business. On-Site’s product is a software-as-a-service property management platform for property owners, managers and renters. On-Site provides an all-in-one solution, combining a method of finding tenants for property managers/owners, online leasing, application screening, customer relationship management, marketing automation, document management, online payments, and website design/hosting. This platform helps property owners and managers maximize occupancy, operational efficiency and operating income. On-Site customers include multi-family property management companies, realtors, owners of single family homes for rent, and low income/subsidized housing operators. On-Site qualifies for standard retraining as a priority-industry software publisher.

**Need for Training**

Due to an increase in demand for their products and services, the Company is rapidly growing and more employees have been hired in California and across the Company. On-Site is requiring employees to take on new roles in the Company to meet the changing needs of clients and improve software implementation for customers.

In the past, On-Site had a small sales’ team of Account Managers who could handle all implementation, configuration and training for new clients on the Company’s software program and its services. Due to growth, On-Site needs to focus the Company’s Account Managers on retention and ongoing relationship maintenance with existing clients, so now Account Managers are responsible for managing existing client accounts. Since On-Site’s Account Managers will no longer have time for new clients, Project Managers are now responsible for new clients. In addition, the roles of the following Sales Staff will be changing: Regional Sales Managers will develop new business; Sales Representatives will focus on existing customers’ success; and Sales Development Representatives will focus on creating leads for new customers by
gathering and determining the needs of the customer. All of these changes necessitate training for workers.

On-Site is working to reduce contract processing time from 100 to 30 days. Previously, Project Managers handled 100% of new customer implementation, configuration and training. Now this role is split between Project Owners, Client Training Specialists, Quality Assurance, and Technical Support staff with the Project Manager as the lead of this implementation team. The Company is releasing two new software products: rent payment processing and revenue management, optimizing client cash flow and enabling clients to better allocate costs and revenues.

On-Site is also offering a new resident relocation service, which is a concierge-like service assisting renters with moving and settling-in services.

In an effort to support the new resident-relocation service, On-Site plans to open a call center at its Campbell headquarters in late 2017. The Company will hire additional staff for this center.

Lastly, in order to stay competitive, On-Site acquired a company called Ellipse Communications in late 2015. Ellipse is an advertising and website design agency for housing providers. This purchase allows On-Site to design customized websites for each property rather than a templated website builder. Many large property management companies are using personalized websites at each property. ETP funds will be used to cross train On-Site’s incumbent workforce to bring them up to speed on the new Ellipse features.

All these changes require significant technical support and sales training on new skill sets. On-Site will deliver the majority of training at the Company’s facility in Campbell, but it will deliver some ETP-funded training via E-Learning and Videoconferencing to employees who work from home offices in Los Angeles and San Diego.

Substantial Contribution

On-Site is a repeat contractor which did not earn $250,000 within the last five years. Therefore, Substantial Contribution does not apply.

Temporary to Permanent Hiring

On-Site will train 13 workers (Job Number 2) under Panel guidelines for the Temporary-to-Permanent program. The Company has retained these employees on a temporary basis, with the intention of hiring them into full-time, permanent positions after training. The average time for converting temporary workers into full-time permanent employment is 3 months. 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. They cannot be enrolled as trainees until after they have been hired by On-Site into full-time, permanent employment. Until they are so hired, retention and post-retention wage requirements cannot be satisfied, and the Company will not receive progress payments.

PROJECT DETAILS

This is On-Site’s second ETP Agreement, the second in the past five years. In the prior ETP Agreement, On-Site delivered training to 52 newly-hired and incumbent staff on Business Skills and Computer Skills to Accounting, Customer Service, Engineers, Marketing, Sales, Website Interface Design and Document Design Staff. Training in this Proposal builds upon its previous
project. Even though some of the training curriculum will be the same as in the prior Agreement, training topics have been modified. Trainees who participated in the prior training plan will not repeat any courses.

**Retraineee - Job Creation**

In support of 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.

On-Site has committed to hiring 47 new employees (Job Number 2). 36 new Client Service Staff will support the new resident-relocation service call center located at its Campbell facility. These trainees will provide a higher level of customer service to help retain clients. The date-off-hire for all trainees 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**

On-Site conducted a formal needs assessment in order to determine major types of training to be delivered. Training will be delivered in Class/Lab, E-Learning, Videoconferencing, Advanced Technology (AT) and Computer-Based Training (CBT) will be provided by in-house instructors and vendors as outlined below:

**Business Skills** (40%): This training will be offered to Client Services, Sales, Marketing, Managers, Administration, Engineering and Project Managers. These employees will receive training in sales, marketing, negotiating, communication, time management, customer relationship, business writing, accounting, customer service, cost control, and conflict resolution. Employees will gain customer relationship management skills and product knowledge, while learning to build relationships with clients to provide high-level customer service.

**Commercial Skills** (10%): This training will be offered to Sales, Client Services and Project Managers. These employees will receive Good Tenant Relations, Lease Renewals, Resident Retentions, Telecommunications, and Leasing Strategies and Techniques courses. Sales’ Staff will receive telecommunication training. Employees will receive training on all areas of leasing to better understand the client’s needs.

**Computer Skills** (20%): This training will be offered to Client Services, Sales, Project Managers, Administration, Managers and Engineers. These employees will receive training on the numerous software programs (e.g. - HipChat, Linux, Sublime, HubSpot and JIRA). Employees will gain an advanced skills on Microsoft Office. In addition, On-Site’s engineering team will receive training in advanced software for computer programming.

**Continuous Improvement** (20%): This training will be offered to Client Services, Sales, Administration, Managers, Engineers and Project Managers. These employees will receive training on process improvement and product enhancements. On-Site’s departments function as teams, which require employees to receive training on communication skills, strategic planning, time management, teamwork development skills and teambuilding.

**Management Skills** (5%): This training will be offered to Managers. Management will receive training on coaching, leadership, motivation and decision making. Managers will acquire motivation techniques and teambuilding opportunities to keep On-Site’s employees engaged. This training will enhance the Managers’ leadership skills.

**Advanced Technology** (5%): This training will be conducted by three lead engineers who are subject matter experts. The cost of training is on an average $88 per hour for these lead engineers to deliver AT. Engineering trainees will receive an average of 24 hours of training per
AT course. Additionally, they will receive an average of 6 hours per week in software updates’
trainings. The trainer-to-trainee ratio is 1:10 for AT to allow in-depth coverage and personal
attention from the instructor.

**Computer-Based Training**

Computer-based training (CBT) will allow employees to take courses at their own pace without
instructors. CBT is restricted to no more than 50% of a trainee’s total training hours.

**Commitment to Training**

ETP funds will not displace the existing financial commitment to training. Safety training is, and
will continue to be, provided in accordance with all pertinent requirements under state and
federal law.

On-Site currently spends $425,000 on training annually per facility in California. The majority of
the Company’s training is instructor-led by an in-house Training Specialist. On-Sites’
management staff leads some of the Company’s more informal training. On-Site has six part-
time trainers who help deliver the Company’s training. On-Site delivers some of its training via
E-learning (webinar) and Videoconference.

➤ Training Infrastructure

On-Site’s staff is dedicated to scheduling training, enrolling trainees, tracking training hours and
meeting with ETP staff. The Company’s Training Specialist has an office manager to assist with
scheduling and roster organization. In addition, On-Site has hired Sierra Consulting Services to
assist with development and administration of this project.

**Impact/Outcome**

With the ETP funds, On-Site will provide a number of classes not currently offered within the
Company's in-house training program. On-Site's goal is to grow and expand the Company's
training team, so it has the ability to focus on company areas and departments that need role-
specific training. On-Site strives have at least two trainers conducting training on any given day.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by On-Site under an ETP Agreement that was
completed within the last five years:

<table>
<thead>
<tr>
<th>Agreement No.</th>
<th>Location (City)</th>
<th>Term</th>
<th>Approved Amount</th>
<th>Payment Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>ET15-0375</td>
<td>Campbell</td>
<td>2/2/15 – 2/1/17</td>
<td>$233,512</td>
<td>$0 (0%)</td>
</tr>
</tbody>
</table>

Based on ETP Systems as of February 28, 2017, 10,708 reimbursable hours have been tracked for
potential earnings of $201,136 (86% of approved amount). On-Site originally estimated that 190
employees would receive ETP training; however, 172 completed training and 166 have been retained and
met the 90 day retention period. On-Site will be finalizing its invoicing for Fiscal Closeout. Currently,$149,562 has been paid to date as five invoices have been submitted prior to Fiscal Closeout.
DEVELOPMENT SERVICES

On-Site retained Sierra Consulting Services in El Dorado Hills to assist with development of this proposal for a flat fee of $15,000.

ADMINISTRATIVE SERVICES

Sierra Consulting Services will also perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

Christina Clark Consulting of Rocklin has been retained to provide development of the computer-based training (CBT) modules for a fee of $83,646. Other trainers will be identified for ETP record-keeping purposes as they are retained.
Exhibit B: Menu Curriculum

Class/Lab/E-Learning/ Videoconferencing Hours
8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**
- Accounting
- Business Fundamentals
- Business Performance
- Business Writing
- Behavior Style Strategies
- Conflict Resolution
- Creative Marketing
- Customer Relationship Management
- Customer Service
- Communication Skills
- Cost Control
- Dealing with Difficult People
- Employee Coaching
- Essential Skills for the New Supervisor
- Financial Analysis
- Interpersonal Communications
- Leadership
- Marketing & Sales Techniques
- Negotiating
- Operational Skills
- Planning and Organization
- Product Knowledge
- Project Management and Methodology
- Project Requirements Analysis and Specifications
- Property and Resource Management Skills
- Retaining Customers
- Relationship Building
- Sales
- Strategic Planning
- Successful Selling Techniques/Sales
- Time Management

**COMMERCIAL SKILLS**
- Good Tenant Relations
- Lease Renewals
- Leasing Strategies and Techniques
- Resident Retentions
- Telecommunications
COMPUTER SKILLS
- Advanced Microsoft Office
- Client Relationship Management Software
- Computer Networking
- Computer Programming
- Digital Entertainment and Multimedia
- Financial Management System
- Microsoft Office (Intermediate and Advanced)
- Software Applications and Equipment
- JIRA Software
- HipChat
- ToutApp
- GoToMeeting
- Linux
- Sublime
- HubSpot

CONTINUOUS IMPROVEMENT
- Cross Training
- Communication Skills
- Creating a Quality Organization
- Change Management
- Decision Making
- How to Coach and Mentor
- Leadership skills for frontline workers
- Lean Manufacturing
- Lean Procedures Practices
- Meeting Management
- Production Scheduling
- Production Operations/Workflow
- Process Improvement
- Project Management
- Problem Solving and Decision Making
- Process Improvement
- Quality Measurement Systems
- Quality Management
- Root Cause Analysis
- Statistical Process Control
- Systems Failure Analysis
- Strategic Planning
- Team Building
- Teamwork Development Skills
- Time Management
- Visual Controls

MANAGEMENT SKILLS (Managers Only)
- Administration
- Coaching Procedures
Decision Making
Effective Meetings for Leaders
Finance for Technical Managers
Leadership
Motivation
Supervisor Skills
Teambuilding

**AT Hours**
0-200

**ADVANCED TECHNOLOGY (AT Ratio 1:10)**
- GitHub
- Enterprise
- Jenkins
- Java
- Ruby on Rails
- CoffeeScript
- JavaScript
- React
- VIM
- Emacs
- Sublime
- Eclipse
- Intellij

**CBT Hours**
0-2

**BUSINESS SKILLS**
- Credit Reporting Act Training (1 hour)
- Security Training (1 hour)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee.