



**Training Proposal for:  
Give Something Back Business Products  
Agreement Number: ET09-0424**

Panel Meeting of: **January 23, 2009**

ETP Regional Office: **San Francisco Bay Area**

Analyst: T. Teles

**PROJECT PROFILE**

Contract Type: Priority/SB<100

Industry Sector(s): Manufacturing

Counties Served: Alameda, Sacramento

Repeat Contractor:  Yes  No

Union(s):  Yes  No

Priority Industry:  Yes  No

No. Employees in CA: 83

No. Employees Worldwide: 83

Turnover Rate %	Manager/Supervisor %
5%	11%

**FUNDING DETAIL**

Program Costs	Substantial Contribution	Total ETP Funding
\$187,200	\$0	\$187,200

In-Kind Contribution
\$100,000

**TRAINING PLAN TABLE**

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Estimated Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/SB<100	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	80	24 - 200	0	\$2,340	\$13.69
				Weighted Avg: 90			

**Minimum Wage by County:** \$14.18 for Alameda County, \$13.69 for Sacramento 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

\$0.69 per hour in Sacramento County and \$1.18 per hour in Alameda County in health benefits may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Technical Staff	
Production Staff	
Administrative/Support Staff	
Manager	

**INTRODUCTION**

In this proposal, Give Something Back Business Products (GSB) seeks funding for retraining as outlined below:

Founded in 1991, GSB is an assembly manufacturer and installer of custom office suites, panel systems, furniture and storage systems; a distributor of office, computer and technology equipment and supplies; and a manufacturer of specialized print and logo products. GSB employs 83 individuals at its headquarters in Oakland and warehouse locations in San Leandro and Sacramento. GSB is in the process of opening a location in San Diego.

GSB representatives state that the company's philosophy is based on selling business products for less and donating a portion of its profits back to the community. In the past 15 years GSB donated more than \$3 million to the local community; was voted one of the ten most generous companies in America; received the awards for Corporate Generosity from Paul Newman and the late John F. Kennedy, Jr.; and has been recognized as one of the Bay Area's largest corporate philanthropists by the San Francisco Business Times. In addition to monetary donations, GSB founders, managers, and employees continuously donate their free time, participating in hands-on projects such as the repair and rebuilding endeavors of Rebuilding Together.

This is the second project funded by the Panel; however, no substantial contribution will be assessed because the company did not earn \$250,000 and because GSB is a small business with less than 100 employees.

According to company representatives, the company has seen an increase in the demand for modular office systems and furniture. Modular building systems are re-usable and can be moved from location to location at 50% of the cost of the initial system purchase. Further, over the last decade, GSB has experienced a steady increase in demand for ergonomically correct office furniture, systems, and computer-aided devices and accessories. To meet the demand, GSB is in the process of launching a new business strategy to position services to include what they are calling a "Complete Work Station Evaluation". Staff will become specialists in assessing, identifying and customizing the design, manufacturing, and the assembly of ergonomic office solutions to meet customer specific needs. To respond to the demands of the modular and ergonomic business; to become more efficient in its manufacturing processes; to reduce waste and defects; to shorten lead time and delivery; and to move into new markets; GSB will be implementing the Systems Applications and Products (SAP) software and upgrading its website. These initiatives will require training 80 employees in new software, business systems, and manufacturing processes.

The company qualifies for priority ETP funding as a manufacturing company facing out-of-state competition under Title 22, California Code of Regulations, Section 4416.

## **PROJECT DETAILS**

In the first project, GSB piloted several programs – green business products, lean manufacturing, and ergonomic furniture and products. These programs will be extended to the total workforce in the second project. GSB will be implementing the SAP software which will integrate all aspects of the business and the Autodesk Inventor software which will direct download of customer's drawings and settings for fabrication. The website ordering system will be updated and will integrate other existing systems and the new SAP system. The new SAP, the Autodesk Inventor software systems, and the upgraded website will require training company wide. In the first project, GSB provided train-the-trainer skills to a select number of employees who will provide training to the remaining employees in the second project as follows:

**Business Skills** training will support the company's shift to a cross-functional team based environment that will result in a flexible workforce. The success of meeting increased business demands is contingent upon the ability to respond to customer needs and will require training in customer service and product development. After integration of the SAP system, all employees will receive skills training in performance management to ensure consistency in processes and services. Business skills training will help the organization achieve company goals by providing product and customer service visibility and accountability to all levels of employees.

**Computer Skills** training will be provided to all staff as part of the SAP software implementation and upgrades to the website. Administration, support, and technical staff will receive additional training in varying areas related to reporting which will expedite the bidding, costing, inventory, materials management, and job tracking capabilities with an expected reduction in bidding and production lead time.

**Continuous Improvement** training proposed for all employees is critical in shifting the organization to a high performance workplace. A pilot program was implemented in the first project and will be extended to all areas of the company. All trainees will receive one or more modules of high performance work teams, green business practices, and Six Sigma. The

training supports the company's goals of moving towards a high performance workplace and is projected to improve operating costs, reliability, quality and customer satisfaction, and the ability to meet the increasing customer demands in multiple industries.

**Manufacturing Skills** training in specialized growth industries of ergonomics, modular building and procurement will enable the company to expand its services capabilities. Demand for new services will link to new product development and business skills. Lean manufacturing will be implemented beyond the pilot program to all areas of the business. The expected result of manufacturing skills training is increased capabilities, larger market share, cost savings, cycle time reduction, and new product development.

### **Commitment to Training**

GSB current training has been limited to various pilot programs in lean manufacturing, marketing, inventory management, leadership for frontline workers, statistical process control, training in a single department or area of business on as needed basis, and new hire orientation. The annual training budget is \$30,000.

GSB represents that ETP funds will not displace the existing financial commitment to training. Indeed, GSB anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

GSB represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### **Green Business Operations**

GSB is an Alameda County "Green Certified Business". Its 19,800 square foot Oakland facility is equipped with rooftop solar energy production units. GSB is one of a handful of founding companies across the United States known as "B Corporations". "B Corporation" companies must meet strict comprehensive, transparent social and environmental standards, and amend their governing documents to reflect socially responsible values.

## **RECOMMENDATION**

For the reasons set forth above, staff recommends approval of this proposal.

## **ACTIVE PROJECTS**

The following table summarizes performance by the company under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Average)	No. Completed Training	No. Retained
ET08-0144	\$235,040	07/30/07 – 07/29/09	80	59	32

Training was provided in Oakland, San Leandro, and Sacramento. GSB representatives report that the retention for 27 trainees will be completed by February 2, 2009. The company estimates that it will earn 100% of the funds.

### **DEVELOPMENT SERVICES**

The company retained Sallyanne Monti in San Francisco to assist with development of this proposal for a flat fee of \$8,000.

### **ADMINISTRATIVE SERVICES**

The company also retained Sallyanne Monti to perform administrative services in connection with this proposal for a fee to be determined, but not to exceed 13% of payment earned.

### **TRAINING VENDORS**

To Be Determined

## **Exhibit B: Menu Curriculum**

### **Class Lab Hours**

**24 - 200**

Trainees will receive any of the following:

#### **BUSINESS SKILLS**

- Customer Service in a Global Economy
- Product Development
- Performance Management

#### **COMPUTER SKILLS**

- Computer Software
  - Intermediate/Advanced Microsoft Applications
- Systems Applications and Products (SAP)
- Website Technology (Advanced Ordering System)

#### **CONTINUOUS IMPROVEMENT SKILLS**

- Green Business Practices
- High Performance Work Teams Technique
- Six Sigma

#### **MANUFACTURING SKILLS**

- Ergonomic Technical
- Modular Building Technology
- Procurement Technology
- Lean Manufacturing Techniques