



Sheri N. Sakamoto
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2013-2014 Board of Directors

Mark Storfer, *Hilo Hattie, Chairman of the Board*
Mary Beth Brenner, *Maui Divers, Vice Chairman*
Riki Morimoto, *ABC Stores, Treasurer*

Executive Committee:

Carol Ai May, *City Mill Company, Ltd.*
Mary Beth Brenner, *Maui Divers*
Dave Erdman, *PacRim Marketing*
Kelly Kauinana, *Pearlridge Center*
Riki Morimoto, *ABC Stores*
Mark Storfer, *Hilo Hattie*
Michael Tam, *Martin & MacArthur*
Ginger Waters, *Honolulu Cookie Company*
Mike Wiley, *Honolulu Star-Advertiser*

Board of Directors:

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Dave Erdman, *PacRim Marketing Group*
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Mike Jenness, *Jenness Consulting Services*
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Kristin Kilburn, *Ala Moana Center*
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Conchita Malaqui, *Outrigger Enterprises*
Scott Maroney, *Crazy Shirts*
Charles R. Miller, *Macy's Corporation*
Riki Morimoto, *ABC Stores*
Masako Nashimoto-Luttrell, *Nashimoto & Assoc.*
Susan Ogata, *Ko' Olina Golf Club*
Gina Pohlbel, *Target*
Kevin Rokosz, *PetSmart*
Dale Ruff, *Louis Vuitton Hawaii*
Mark Storfer, *Hilo Hattie*
Michael Tam, *Martin & McArthur*
Trisha Takehara, *DFS Hawaii*
Brian Tatsumura, *Nordstrom*
Jennifer Thompson, *American Express*
Ai Tomonari, *Neiman Marcus*
Francis Tulu, *Computant*
Susan Utsugi, *Central Pacific Bank*
Glenn Wachi, *First Hawaiian Bank*
Sean Watabayashi, *Chanel Boutique*
Ginger Waters, *Honolulu Cookie Company*
Mike Wiley, *Honolulu Star-Advertiser*

January 28, 2014

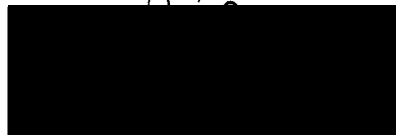
Senate Committee on Ways and Means
State Capitol, Room #208
Honolulu, Hawaii 96813
Attn: Rod Becker

Dear Members of the Senate Committee on Ways and Means,

Please find enclosed Retail Merchants of Hawaii's partnership proposal application for the Grants and Subsidies program. We appreciate the opportunity to apply.

Do not hesitate to call me with any questions at (808) 592-4200 or email: ssakamoto@rmhawaii.org.

Best Wishes,



SHERI N. SAKAMOTO
President
Retail Merchants of Hawaii

c: House Committee on Way and Means
Attn: Nandana Kalupahana

Retail Merchants of Hawaii (RMH) Educational Training Partnership

I. Background and Summary:

The retail industry is the largest single generator of general excise tax revenue and employs almost 20% of the workforce in the State of Hawaii. Because effective interaction with government is critical to business, RMH is recognized as the official representative of the retail industry. The Hawaiian Islands are in a solid upswing with the current economic trend, which is largely tourist and construction based. In light of the upswing, preparing the next generation for the sustainability of Hawaii will be critical to the economy. As a non-profit trade organization, RMH represents over 200 retailers which make-up over 2000 storefronts. Our mission is to foster the growth of the retail industry through education and training. Since the retail industry is so vast, RMH has five active committees which include high level executives working on such issues as: Education, Retail Tourism, Government Affairs, Security - Loss Prevention and Human Resources.

In 2012, visitors to Hawaii spent over \$14.4 billion dollars; \$2.5 billion was directly spent on retail. As one of the leading industries in our State, it is critical to ensure that Hawaii's retail workforce is customer service oriented and educated on the newest technologies and opportunities available to the industry. According to the Department of Business Economic Development and Tourism (DBEDT), Hawaii's economy will be on the expansion path with job growth expected to increase 1.7% in 2015 and 1.5% in 2016. Visitor arrivals are expected to increase 2.1% in 2015 and 2.0% in 2016. With the decrease of unemployment predicted for 2015 and 2016, RMH along with its adjoining partners believe it is the perfect time to enhance the customer service and technology knowledge and experience for current and future workers in the retail industry.

Goals and Objectives:

Provide training and educational resources to retail related employees in the following areas:

- a. Enhancing customer experience
- b. Gain insight into cross cultural differences between Hawaiian, local Kamaaina, Japanese, Korean, and Chinese customers in order to interact in a culturally sensitive manner
- c. Increase sales
- d. Placement of high school and college age students in retail intern positions on Oahu
- e. Give employees in the training program and students in the intern program a better understanding on the impact of loss prevention on the industry

Purpose and Target:

Education plays a significant role in of RMH's efforts to grow the retail industry. RMH's Education Committee meets monthly to discuss the various types of needs in the industry. The committee created RMH's Annual Educational Seminar Series which are focused on addressing specific issues pertaining to retail. These are privately sponsored with attendance by those from the retail industry specifically and have been extremely successful. However, in further exploring industry needs, the Education Committee outreached to several RMH board members and non-members regarding the future of retail. One of the major issues is the need for customer service/relations training at all levels of retail. Members pointed out the amazing ability by young people to utilize digital gadgets, however a concern over their ability to work

socially in groups or have the social acumen to approach customers. Many retailers also mentioned the correlation between an increase in theft - loss prevention while employing young people. In addition, several issues regarding the new emerging markets from Asia arose along with the large number of individuals moving to Hawaii from Asia. After much research, RMH's Education Committee found that the ICC and KCC specific programs related to customer service, cultural sensitivity, hospitality and Hawaiian cultural education. These programs, presented for over fifteen-years specifically fit the needs of retailers and thus RMH formed a partnership with both ICC and KCC in order to create and provide additional training and educational resources for its members.

II. Service Summary and Outcomes:

95% of the RMH Board of Director's represent 80% of Hawaii's retailers, from boutique and nationally known brands, to luxury goods. The number one issue pointed out by RMH Board of Director's is the lack of social interaction skills, commitment and cultural understanding of many of the Generation X (ages 18-35) entering the retail market either from high school or college. They are not work ready. As such, RMH has created a partnership with the Intercultural Communication College (ICC) and Kapiolani Community College (KCC) to further educate and prepare young people for the future. Training would consist of practical professional acumen, cultural sensitivity training and accommodation techniques for use in the retail industry. Because the needs of our business community are quickly changing, a partnership between the public and private sector will prove to have the largest impact. For this reason RMH will serve as the lead organization, coordinating and facilitating the specific types of training needed for each retailer involving ICC or KCC. In addition, RMH proposes a pilot intern program with private and public high schools and colleges on Oahu in order for students to have a better understanding of the retail industry and the types of jobs offered in the industry.

Scope of Work and Responsibilities

RMH will administer and coordinate the training needs of retailers by scheduling training sessions provided by ICC and KCC. Classes will be offered through membership advertising efforts via e-blast, RMH website, partner's websites and informational pieces distributed at RMH committee meetings. The Training program will accommodate retailers on a calendar year basis beginning July 14, 2014 – December 31, 2015. Training classes offered by ICC and KCC include 4-8 hour sessions directly impacting issues particular to the retailer, such as workplace basics; etiquette, relationships, electronic communications, attitude and cultural sensitivity. Session(s) can be performed at the retailers' brick & mortar site(s), or at the ICC/KCC facilities. ICC and KCC will offer three types of training programs: Sales Associate Training, Management Staff Training and Culturally Sensitive Awareness Training. Since both schools have a history of implementing successful programs for over fifteen years, RMH is confident that together, we will prepare young people for a successful career in the retail industry.

Responsibilities

- ICC and KCC will provide the customer service and culturally sensitive education and training to specific Retailers determined by RMH. These Retailers will have proven records of high employee turn-over, high loss prevention rates and high numbers of Generation X employees.
- RMH will coordinate training services with ICC and/or KCC to be conducted at Retailers site or at respective school site.

- RMH will coordinate communication and placement of interns between pilot schools and Retailers, by working with high school and college career counselors.
- RMH will oversee all financial expenses for reimbursement of training and internship opportunities.

Internship Placement

Pilot Program: Work with five high schools, community colleges, private and public universities located on Oahu in order to place students in intern positions where they can be taught and mentored by specific retailers on the Island of Oahu. RMH will act as the conduit for intern requests and intern placements for retailers. Retailers will have an opportunity to receive an intern for a total of 160 hours. To be broken down as follows: First Quarter: 20 hours; Second Quarter: 20 hours; Third Quarter: 60 hours; and Fourth Quarter 60 hours.

Specific services will be geared toward schools located in the at-risk communities identified with the assistance of the Department of Education.

RMH will work with career counselors at each school in order to determine the student(s) best qualified for the internship program.

Timeline

Training Program:

- July – December 2014 Announcement and Information of Educational and Training courses with ICC/KCC.
- January – December 2015 Coordination of training programs for Retailers at school site or store-site.
- January – December 2015 – ICC and KCC to provide one month reports on services provided to Retailers: February, April, June, August, October, December 2015
- February 2016: Report created for State Legislature

Internship Program:

- July 1, 2014 – December 2015 RMH will work with specific public and private high schools and college level organizations – to create a pilot internship program for students. The goal is to mentor and teach students enhanced professional skills.
 - First year goal: Placement of 30 interns with retailers. Each intern will have an opportunity to work a total of 160 hours at \$10 an hour for a selected Retailer.
 - Total - \$1,600 per student
 - Total Program Cost - \$48,000

Evaluation

Training Program:

At the end of the training class the participants would be provided with a convenient-sized hint card or phone application with reminders for ways to reach out to various types of customers. This card could be easily consulted and would direct the sales personnel to take such specific action e.g., "returning the change from the cash register." The participants would provide their email address to ICC and/or KCC for a follow up questionnaire to validate how effective these sales techniques were.

One month after the training session, a questionnaire listing several sales techniques would be sent to participant(s) in order to measure the success of techniques taught by ICC and/or KCC. Both entities would gather the responses and provide Retail Merchants of Hawaii feedback from the sales staff within an additional thirty-day period. These program indicators will then be incorporated into one report, which will be submitted to the State Legislature for review.

Internship Program:

The Intern Program will be measured in three different ways. Two surveys to students – one prior to the start of their internship program and a second survey at the completion of their program.

Additionally, RMH will provide exit surveys to Retailers who received an intern. Measurements of effectiveness, strengths of intern, areas for improvement and overall feedback on the goal of the RMH Intern Program.

Results will be analyzed and reported to the State Legislature in February 2016.

Measurements of Effectiveness

At end of the training sessions, participants will be able to:

- Better understand self-management, workplace basics, learn how to build relationships with customers, respond to customer demands and requests, and have a keen understanding of the impact he/she makes on the company and customers they serve.
- Will provide participants with at least three walk-away recommendations to help them improve their work and/or service.
- The training will provide a keen understanding of Hawaii's culture and the emerging Asian cultures impacting Hawaii's retail industry.

At end of Internship Program; participants will be able to:

- Gain a better understanding of the retail industry. The types of jobs available in the industry and the skills needed to get those jobs.
- Gain an understanding of professional work ethic and responsibilities
- Network and create future resources

III. Financial Budget

RMH currently does not receive other types of public funding. The organization has relied on membership dues for over 25 years. The attached document (Attachment III-A) indicates the funding needed on a quarterly basis for the program.

IV. Experience and Capability

Intercultural Communications College (ICC):

For over 20 years, the ICC has been educating students from across the globe in second language acquisition. Recently, ICC Hawaii's vast cultural expertise has been applied to helping its partners improve their offerings with the creation of a variety of Corporate Training programs. ICC Hawaii helps local partners capitalize on Hawaii's unique position between the East and the West through cultural sensitivity training, customized language courses, translation services, and cross-cultural training programs. Through this training seminar, the importance of cultural sensitivity is demonstrated with the latest updates on the emerging Asian markets in Hawaii. ICC Hawaii's Cultural Sensitivity Training teaches merchants key cultural sensitivity knowledge of Japanese, Korean, and Chinese customers to better interact with, accommodate and sell to these Asian cultures.

Kapiolani Community College (KCC):

KCC is the state's largest comprehensive community college with technical occupational and professional programs in business education, food service and hospitality education. It offers the state's most successful university transfer program as well as a well-respected STEM (Science, Technology, Engineering, and Mathematics) program. More than 7,100 students annually enroll in day, evening and weekend credit programs at the KCC campus. An additional 25,000 students enroll through KCC's extensive non-credit programs. KCC's Office for Continuing Education and Training (OCET) continues to build on that foundation, while engaging students to take an active role in their learning for a lifetime. KCC's mission is to meet the education and training needs of Hawaii's workers and employers to meet the social and leisure-related life-long learning needs of individuals in the communities they serve. KCC's OCET department will work with RMH to develop and provide customized training for the retail industry sales associates: to help participants develop necessary skills to strengthen their company's customer service and organization by understanding Hawaii's unique culture and values.

V. Personnel: Project Organization and Staffing

RMH President – 20%

- Oversight of Training and Intern Programs
- Oversight of program budget
- Completion of legislative reports

Executive Assistant – 20%

- Assist RMH President on correspondence and communications to key stakeholders
- Coordination of events and meetings
- Other related tasks as requested by President

Program Coordinator – 100%

- Bachelor of Arts degree
- Master's degree preferred
- 3-4 years experience in training, human resources or education fields
- 3-4 years management experience
- 2-3 years experience gathering data
- 2-3 years report writing
- 2-3 years budget oversight or responsibility
- Computer literate (Mac and PC)
- Exceptional communication skills
- Coordination and follow-up with retailers, RMH partners and Retailers

Program Assistant – 100%

- 2-5 years administrative experience in: coordinating events and meetings, filing and taking direction, answering and returning calls and statistical gathering
- Computer proficiency (Mac and PC)
- Other related tasks as requested by Program Coordinator

ICC Trainer

- 10-15 years training or teaching experience
- Ability to communicate with students of all ages
- Ability to drive to training site/location
- Ability to provide feedback and data for program evaluation
- Speaks at least two languages (English and specific Asian language)
- Understanding of the Hawaiian culture

KCC Trainer

- 10-15 years training or teaching experience
- Ability to communicate with students of all ages
- Ability to provide feedback and data for program evaluation
- Keen understanding of the Hawaiian culture and way of living

Retail Training Coordinators (retailer)

- Human Resources designee
- Oversee RMH intern
- Introduction of intern to retail employees, rules, ethics, and responsibilities
- Provide feedback to RMH to enhance program

Organization Chart

Please see Attachment V-A for organization chart

VI. Other - Litigation Licensure or Accreditation

NOT APPLICABLE

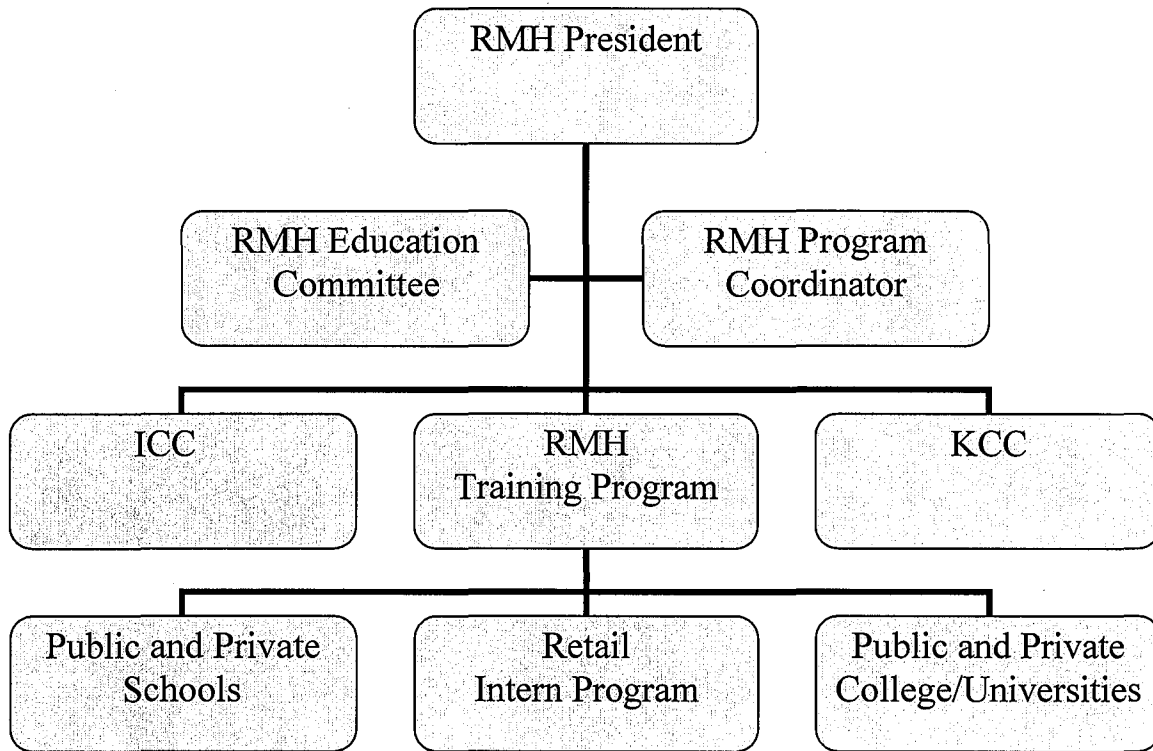
Financial Budget Quarterly Cost

Applicant: Retail Merchants of Hawaii - Attachment III-A

Financial Budget By Quarter		Q1	Q2	Q3	Q4
A.	PERSONNEL COST				
	1. Salaries	26,050	26,050	26,050	26,050
	2. Payroll Taxes & Assessments	19,000	19,000	19,000	19,000
	3. Internship Program	6,000	6,000	18,000	18,000
	TOTAL PERSONNEL COST	51,050	51,050	63,050	63,050
B.	OTHER EXPENSES				
	1. Airfare, Inter-Island	2,500	2,500	2,500	2,500
	2. Insurance	1,125	1,125	1,125	1,125
	3. Lease/Rental of Equipment	4,762	4,762	4,762	4,762
	4. Lease/Rental of Space	21,000	21,000	21,000	21,000
	5. RMH Staff Training	8,750	8,750	8,750	8,750
	6. Supplies	1,375	1,375	1,375	1,375
	7. Telecommunication	1,500	1,500	1,500	1,500
	8. Utilities	1,750	1,750	1,750	1,750
	9. ICC Training	12,500	12,500	12,500	12,500
	10. KCC Training	12,500	12,500	12,500	12,500
	11				
	12				
	13				
	14				
	15				
	16				
	17				
	18				
	19				
	20				
	TOTAL OTHER CURRENT EXPENSES	67,762	67,762	67,762	67,762
C.	EQUIPMENT PURCHASES				
D.	MOTOR VEHICLE PURCHASES				
E.	CAPITAL				
	TOTAL Q1+Q2+Q3+Q4	499,250			
SOURCES OF FUNDING			Budget Prepared By:		
	(a) Total State Funds Requested	499,250	Sheri N. Sakamoto		
	(b)		Name (Please type or print) Phone		
	(c)		Signature of Authorized Official Date		
	(d)				
	TOTAL BUDGET	499,250	Sheri N. Sakamoto, President Name and Title (Please type or print)		

Organization Chart

Applicant: Retail Merchants of Hawaii - Attachment V-A



BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2014 to June 30, 2015)

Applicant: Retail Merchants of Hawaii

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	104,200	NA	NA	NA
2. Payroll Taxes & Assessments	76,000			
3. Internship Program	48,000			
TOTAL PERSONNEL COST	228,200			
B. OTHER EXPENSES				
1. Airfare, Inter-Island	10,000			
2. Insurance	4,500			
3. Lease/Rental of Equipment	19,050			
4. Lease/Rental of Space	84,000			
5. Staff Training	35,000			
6. Supplies	5,500			
7. Telecommunication	6,000			
8. Utilities	7,000			
9. ICC Training	50,000			
10. KCC Training	50,000			
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	271,050			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	499,250			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	499,250	Sheri N. Sakamoto		
(b)		[Redacted] Phone		
(c)		Signature of Authorized Official Date		
(d)		[Redacted]		
TOTAL BUDGET	499,250	Sheri N. Sakamoto, President Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Retail Merchants of Hawaii

Period: July 1, 2014 to June 30, 2015

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
iPads	30.00	\$525.00	\$ 15,750.00	\$ 15,750.00
Computer	1	\$2,000.00	\$ 2,000.00	\$ 2,000.00
Printer/Scanner/Fax	1	\$800.00	\$ 800.00	\$ 800.00
Replacement Toner	1	\$500.00	\$ 500.00	\$ 500.00
TOTAL:	33		\$ 19,050.00	\$ 19,050.00
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: Retail Merchants of Hawaii - NOT APPLICABLE

Period: July 1, 2014 to June 30, 2015

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2012-2013	FY: 2013-2014	FY:2014-2015	FY:2014-2015	FY:2015-2016	FY:2016-2017
	PLANS					
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENT For over 25 years, RMH has functioned on membership dues alone						

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Retail Merchants of Hawaii
(Typed Name of Individual or Organization)



(Signature)

1/28/2014

(Date)

Sheri Sakamoto
(Typed Name)

President
(Title)