BUSINESS CASE

Youth Building Future
Business Case Creation Process

UNDERSTAND
Understand the present situation, the needs, and partners’ opportunity

Learn
Analyze results obtained

SHARE
Disseminate findings and boost connection

Build
Establish instruments and means of measurement

MEASURE
Conduct survey and follow-up youth

Conduct survey and follow-up youth
Johanna Ortiz is a Colombian entrepreneur, with international recognition in the field of haute couture. Her firm is located in the city of Cali, where 90% of its production is exported to countries such as Saudi Arabia, China, Qatar, Hong Kong, Kuwait, USA and United Kingdom.

The plant is fitted with 188 workstations in which design, dress-making and distribution are conducted. Ortiz exhibits her designs every year in the world’s main fashion shows such as New York and Paris, and is part of Bergdorf Goodman’s select group of designers in USA, which is provider of exclusive high-class global jet set customers.

The company was set up in the city of Cali in 2013. Its plant staff increased over 200% during the last two years, which entailed the need to take on high-end dressmakers. A second production plant was opened recently in the free-trade zone of Cali. By 2018, it is expected to have more than 300 workstations.
Johanna Ortiz has bet on keeping the production plant in Cali and expanding its growth based on identifying local talent. However, availability of skilled labor is insufficient as there are no training programs in the region that focus on high fashion. Additionally, turnover rates in the dressmaking industry are elevated.

The Alliance

The Johanna Ortiz - PLAN alliance through the project ‘Youth Building Future’ is aimed at responding to the need for skilled labor staff equipped with the necessary competencies to meet the company’s technical requirements and who possess the personal skills required to perform in highly demanding environments with a high level of commitment.
Alliance Development

- Invitation to young people in the company’s area of influence
- Assistance in selection process
- Development of Skills for Life events
- Psychosocial assistance
- Access to bank services and hand-out of living resources
- Work readiness preparation and assistance in tests
- Training of mentors
- Graduation
- Follow-up on youth at work

- Provide training facilities (workshop, sowing machines)
- Payment of specialized teacher
- Development of training program (integrated in Life Skills Training)
- In-house technical training
- Internal staff mentoring
- Staff recruitment
Training and job placement process
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify values of interest for the parties</td>
<td>Measure changes in PLAN and NON-PLAN youth in their work environment</td>
<td>Analyze results of the measurement process</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Activities**

- Confirm corporate value drivers
- Confirm measurement metrics
- Define metric calculations
- Identify data source and owners
- Establish a measurement process and tools for data entry
- Identify target group of comparison (PLAN non-graduates)
- Identify actual group of comparison (PLAN graduates)
- Measure target performance (Graduates and non-graduates)
- Compare target and actual measurements
- Evaluate performance Plan graduates vs Non Plan graduates
- Improve work readiness
- Share and publish lessons learned
<table>
<thead>
<tr>
<th>IMPACT</th>
<th>BUSINESS</th>
<th>SOCIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>LOWER COST</td>
<td>RAISE INCOME</td>
</tr>
<tr>
<td><strong>Metrics</strong></td>
<td>Retention rate</td>
<td>Training cost</td>
</tr>
<tr>
<td><strong>Method</strong></td>
<td>Percentage of retained employees</td>
<td>Average training cost</td>
</tr>
<tr>
<td><strong>Responsible</strong></td>
<td>Company</td>
<td>Company</td>
</tr>
<tr>
<td><strong>Source</strong></td>
<td>Human Resources</td>
<td>Human Resources</td>
</tr>
</tbody>
</table>
METRICS

- Retention rate
- Training cost
- Hiring cost
- Job performance
- Relational capacity
- Level of income

COMPARISON

RESULTS

<table>
<thead>
<tr>
<th>METRICS</th>
<th>NON-PLAN</th>
<th>PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>##</td>
<td>##</td>
<td>##</td>
</tr>
<tr>
<td>##%</td>
<td>##%</td>
<td>##%</td>
</tr>
<tr>
<td>$##</td>
<td>$##</td>
<td>$##</td>
</tr>
<tr>
<td>$##</td>
<td>$##</td>
<td>$##</td>
</tr>
<tr>
<td>##</td>
<td>##</td>
<td>##</td>
</tr>
<tr>
<td>##%</td>
<td>##%</td>
<td>##%</td>
</tr>
<tr>
<td>##</td>
<td>##</td>
<td>##</td>
</tr>
</tbody>
</table>

Non-Plan Graduates

Plan Graduates

Por la niñez colombiana
**VALUE OF ALLIANCE**

- **BUSINESS**
  - Cost reduction
  - Income increase

- **SOCIAL**
  - Increase social capacity

**IMPACT**

**OBJECTIVE**

**METRICS**

- **NON-PLAN**
  - Retention rate
  - Training cost
  - Cost of hiring
  - Work performance

- **PLAN**
  - Relational capacity
  - Level of income
SAMPLE AND INSTRUMENTS

n = 16
8 PLAN
8 NON-PLAN

1. Performance evaluation
2. Youth focus group
3. Human Resources survey

- Start of training process C1 October 2016
- End of training process C1 January 2017
- Hiring date: February 2017 PLAN Group - NON-PLAN Group
- Application of measure instrument: August 2017
Results
### 1. Retention Rate

<table>
<thead>
<tr>
<th>NO PLAN</th>
<th>PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Out of a total of 22 Non-PLAN individuals hired in February 2017 and monitored as of August 2017

Out of a total of 8 individuals hired in February 2017 and monitored as of August 2017
2. Training Cost

<table>
<thead>
<tr>
<th>Invitation and selection</th>
<th>NON-PLAN</th>
<th>PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial costs – Welcome</td>
<td>0</td>
<td>COP24,355,000 – USD 8,118</td>
</tr>
<tr>
<td>Payment of living expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teacher costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life Skills- sessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material and stationery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production costs – workshop</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduation costs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Training cost per youth
- COP$2,029,583 / USD 677
- PLAN: 69%
- JOHANNA ORTIZ: 31%

3. Hiring costs

<table>
<thead>
<tr>
<th>NON-PLAN</th>
<th>PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>COP$5,360,000// USD 1787</td>
<td>COP $880,000 – USD 293</td>
</tr>
</tbody>
</table>
4. PERFORMANCE AT WORK

<table>
<thead>
<tr>
<th></th>
<th>Non-PLAN</th>
<th>PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with existing procedures</td>
<td>3.21</td>
<td>3.81</td>
</tr>
<tr>
<td>Advances in technical knowledge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order and cleanliness in the workplace</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Method</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency, fulfillment of times</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accuracy and quality at work</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PERFORMANCE AT WORK
Johanna ortiz co.

Non PLAN Youth  PLAN Youth
<table>
<thead>
<tr>
<th></th>
<th>NON-PLAN</th>
<th>PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.38</td>
<td>3.75</td>
<td></td>
</tr>
</tbody>
</table>

**PREDICTOR OF SUCCESS**

Johanna Ortiz Co.

- **Ability to handle multiple situations**
  - Non PLAN Youth: 3.38
  - PLAN Youth: 3.75

- **Response under pressure**
  - Non PLAN Youth: 3.5
  - PLAN Youth: 3.8

- **Learning potential**
  - Non PLAN Youth: 3.0
  - PLAN Youth: 4.0
5. Relational capacity

<table>
<thead>
<tr>
<th></th>
<th>NON-PLAN</th>
<th>PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.63</td>
<td>3.81</td>
</tr>
</tbody>
</table>

### ATTITUDES AND SOCIAL SKILLS

Johanna Ortiz Co.

<table>
<thead>
<tr>
<th>Attitude/Skill</th>
<th>Non PLAN Youth</th>
<th>PLAN Youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discipline, compliance with standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiative and creativity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility or adaptation to change.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to accept and process observations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-operation and solidarity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationship with colleagues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relations with managers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude towards the company</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Graph showing comparisons between Non PLAN and PLAN Youth in various attitudes and social skills.
6. Level of income

**INCOMES**
**JOHANNA ORTIZ CO.**

- **NO PLAN -8 personas**
- **PLAN -8 personas**

$ - $ 1,000,000 $ 2,000,000 $ 3,000,000 $ 4,000,000 $ 5,000,000 $ 6,000,000 $ 7,000,000 $ 8,000,000
Conclusions

1. The training and support process, in spite of being a new budget item for the company, is seen as a good investment, as it accounted for merely 30% of its total cost with short-term benefits, such as increased staff retention and improved quality in the productive process.

2. Hiring costs dropped 84% with the PLAN group as outsourcing of the selection and recruitment process was eliminated.
• All work performance indicators were exceeded by PLAN youth, especially in aspects related to the accuracy and quality of work, which results in less reprocessing and increased efficiency of available resources.

• PLAN youth performs better than Non-PLAN youth in variables associated with life skills, particularly, initiative and flexibility to adapt to new situations. Topics concerning discipline and compliance with rules of the company should be reinforced.
Shared Value:

- Company commitment to take on training costs and guarantee infrastructure conditions.
- An entrepreneur focused on achieving common objectives for the project: vulnerable population and women.
- Joint monitoring of participants
- Transparent handling of information
- Process shared leadership
- Youth who are not hired after the training process are provided with tips on searching for a job in other dressmaking firms.
Recommendations for Johanna Ortiz

- Increase the workshop area for training processes
- Maintain the dynamics for meetings and monitoring of participants
- Promote a work alliance with other companies to facilitate recruitment of the entire group trained in the project
- Encourage mentoring practice among employees

Recommendations for PLAN

- Keep the project ongoing in the company over the medium term
- Promote a work alliance and take it to other levels
- Conduct monitoring of participating women within the community; provide guidance and psychosocial support.
• When hiring people who are trained in the school, there’s an easy adaptation to our processes and practices, since they are trained by us. Outside people first have to understand our processes, step by step, before taking on full production.

• People who come from the school are lively and wish to learn more. On occasions, people who come from outside impose their knowledge or work habits; not everyone is open to learn and some of them leave.

• People trained in-house are very grateful

• Women trained by us are more willing to address time requirements or production peaks, unlike women from outside.

• In terms of production, the curve is relative. Girls from the school have already been trained for the our plant’s needs; yet, there are more complex processes they must learn. People from outside may be knowledgeable about some technical processes, but they must understand and learn to carry out our processes.

• People trained outside have higher turnover rates than people from the school.

• Female supervisors found kind attitude of the school students. They love to work with the girls.
Smart Alliances
Smart Alliances

Cámara de Comercio de Cali
Comfenalco Valle del Cauca
ALCALDÍA DE SANTIAGO DE CALI

SEÑA
metrocali

Comfandi

ALCALDÍA DE SANTIAGO DE CALI

Corporación de Desarrollo Productivo del Cuero, Calzado y Marroquinería

788