



**Retrainee – Job Creation
Training Proposal for:
American Technical Molding, Inc. dba Accellent, Inc.**

Fast Track ≤ \$100,000

ET15-0150

Panel Meeting of: June 27, 2014

ETP Regional Office: North Hollywood

Analyst: E. Fuzesi

CONTRACTOR

- Type of Industry: Manufacturing

- Number of Full-Time Employees
 - California: 98
 - Worldwide: 5,000
 - Number to be trained: 110

- Priority Industry: Yes No

- Owner Yes No
- Mgr/Supr 10
- Frontline 100

- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training: Yes No
- High Unemployment Area: Yes No
- Turnover Rate: 10%
- Repeat Contractor: Yes No
- Substantial Contribution: Yes No

FUNDING

- Requested Amount: \$97,000
- In-Kind Contribution: \$112,475

PROJECT DETAILS

This will be ATM's third contract with ETP. The Company is experiencing incredible growth at the moment. The Company recently added a second shift, increasing its manufacturing output by 75% and plans to add a third shift in the near future.

In addition:

- ATM purchased a new silicone molding machine to penetrate into a new market.
- ATM introduced a new product, EZ-IO Plus, a special needle used for immediate vascular access in critical, life-threatening emergencies.

In order to address these challenges, the Company is hiring new employees and has prepared a robust training program as outlined below.

Training Plan

Business Skills (5%) – Training will be offered to Assemblers, Production Staff, Engineers/Technicians, Leads, and Inspectors to improve quality, productivity and overall customer satisfaction. Effective Communication is essential in producing high-quality products with zero defects that are 100% compliant with customer and regulatory requirements. Conflict Management is essential for teamwork, and is an integral part of product realization.

Computer Skills (5%) – Training will be offered to all staff to improve processes and accuracy. Currently, ATM is the only site that is not on Oracle, the Company's ERP system. In 2014/2015 ATM will begin to implement several Oracle ERP modules. Programs such as Minitab, Infinity SPC, IQMS ERP and Solidworks for quality and engineering are currently under-utilized, and there is a need to train to expand the utilization of new and upgraded software for employees promoted or hired since the previous training program.

Continuous Improvement (10%) – Training will be offered to all staff to remain competitive and continue to offer the most cost-effective solutions to customers. 5S and Kaizen are crucial to good manufacturing practices, while Root Cause Analysis for injection molding helps in process improvement and keeping down operational costs.

Hazardous Materials (5%) – Training will be offered to Assemblers, Inspectors, Production Staff, Technicians, and Leads to safely continue to carry out the Company's manufacturing operations that require the use of plastic and purge materials, and cleaning agents.

Literacy Skills (5%) – Training will be offered to Assemblers and Production Staff to improve their communication skills, especially to comprehend procedures and work instructions on the production floor. Currently, there is a significant gap in these skills at the operator-level, and many struggle with procedures due to difficulties with reading. Basic Shop Math will also be taught at this level to help these workers learn the skills they need to ensure 100% accuracy in production, packaging and quality sampling.

Management Skills (10%) – Training will be offered to Managers, Supervisors, and Leads to help improve leadership qualities. Managers and Supervisors are responsible for their teams' ongoing mentoring, coaching and training.

Manufacturing Skills (60%) – Training will be offered to Assemblers, Engineers/Technicians, Inspectors, and Production Staff to remain competitive by offering the best price and quality

possible. By adopting the latest manufacturing concepts, such as Advanced Molding Techniques, ATM will be able to produce fewer defects, improve efficiencies and use good manufacturing practices. The Tool Tryout Workshop provides training for Technicians on new molds being introduced prior to actual production runs.

Retrainee - Job Creation

ATM is committed to hiring 20 new employees (Job Number 2). To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Temporary to Permanent Hiring

Most of the Job Creation trainees will come under Panel guidelines for “temporary to permanent” employment. ATM has retained these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training. ATM is planning on converting these trainees to permanent full-time employees by June 2014.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired by ATM. Until then, the ATM will not receive progress payments.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned	
				\$	%
ET13-0264	Upland	12/19/12-12/18/14	\$57,600	\$55,945	(99%)
ET10-0283*	Upland	6/30/10-6/29/12	\$73,872	\$37,126	(50%)

ET10-0283* - At the time this project was developed, ATM’s HR Manager assumed the roles of project administration and training coordinator. Shortly after the term began, the HR Manager left, which delayed training until a replacement was hired and trained. The new HR Manager successfully administered training for the last three months of the term, and instituted a series of new practices that contributed in the Company’s subsequent success in ET13-0264.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Conflict Management & Customer Service Skills
- Effective Communication
- Pricing Strategies & New Customer Contract Negotiation

COMPUTER SKILLS

- Crystal Reports ERP
- Infinity QS – SPC Software
- IQMS ERP
- Microsoft Project (Intermediate; Advanced)
- Minitab
- Oracle ERP
- Solidworks

CONTINUOUS IMPROVEMENT

- 5S & Kaizen Implementations
- Root Cause Analysis & Problem Solving
- Six Sigma
- Teamwork

LITERACY SKILLS

- Vocational English
- Vocational Math

MANAGEMENT SKILLS (for Managers/Supervisors only)

- Advanced Leadership Skills

MANUFACTURING SKILLS

- Decoupled Molding Workshop (Advanced Molding Techniques)
- Injection Molding Essentials
- Injection Molding Math
- Master Molder Workshop
- Material Handling
- New Tool Launches
- Parts Defects Training
- Plastics Processing
- Press Set-up & New Equipment Training
- Systematic Injection & Silicone Molding
- Tool Tryout Workshop

HAZARDOUS MATERIALS

- Hazardous Materials Training

Safety Training is limited to 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 hours total per-trainee, regardless of method of delivery.