



**Retrainee – Job Creation  
Training Proposal for:  
Arvinyl Laminates, LP**

**Small Business  $\leq$  \$50,000**

**ET15-0264**

**Panel Meeting of:** August 22, 2014

**ETP Regional Office:** San Diego

**Analyst:** S. Godin

**CONTRACTOR**

- Type of Industry: Manufacturing
  - Number of Full-Time Employees
    - California: 28
    - Worldwide: 28
    - Number to be trained: 32
  - Out-of-State Competition: NAICS Code Eligible Customers outside California
  - Special Employment Training (SET):  Yes  No
  - High Unemployment Area (HUA):  Yes  No
  - Turnover Rate: 16%
  - Repeat Contractor:  Yes  No
- Priority Industry:  Yes  No
- Owner  Yes  No

**FUNDING**

- Requested Amount: \$48,464
- In-Kind Contribution: \$36,382

**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee SB <100 Priority Rate	Business Skills, Computer Skills, Continuous Improvement, Haz Mat Handling, Manufacturing Skills, PL-Manufacturing Skills	28	8-60	0	\$1,508	\$14.90
				Weighted Avg: 58			
2	Retrainee Job Creation Initiative SB <100 Priority Rate	Business Skills, Computer Skills, Continuous Improvement, Haz Mat Handling, Manufacturing Skills, PL-Manufacturing Skills	4	8-60	0	\$1,560	\$12.19
				Weighted Avg: 60			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Riverside
- Occupations to be Trained: Production Staff, Administration, Sales Staff, Manager/Supervisor, Owner
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$4.57 per hour Job #2: \$1.99 per hour

**SUBCONTRACTORS**

- Development Services: Training Funding Source (TFS), Seal Beach assisted with development of this project for a flat fee of \$2,500.
- Administrative Services: TFS will also provide administrative services for an amount no to exceed 13% of funds earned.
- Training Vendors: To Be Determined

## **OVERVIEW**

Founded in 1987 and located in Corona, Arvinyl Laminates, LP (Arvinyl) designs and manufactures a full range of custom laminates used in various applications such as truck beds, wall panels, shutters, ventilation equipment, automotive firewalls and floors, conveyors, stairways, doors, and motor and compressor housings.

Arvinyl will soon complete in its first ETP-funded project in which 28 employees were introduced to the basic concepts of process improvement, customer service, and lean manufacturing. Employees are now better equipped to identify and meet customer expectations. Interdepartmental communication has improved as well, and employees have begun to function as a team. Completion of the first Agreement has laid the foundation from which the Company now plans to create a culture of continuous improvement. The proposed training will further incorporate the principles of Continuous Improvement and Lean Manufacturing delivered in the previous Agreement, although trainees will not receive duplicate courses.

Company representatives state that its long-term customers and traditional sources of revenue are changing dramatically. Arvinyl has long provided interior trim for the heavy duty vehicle/trucking industry. Many of its current customers are being acquired by larger conglomerates, impacting one of Arvinyl's major revenue streams. Additionally, the trucking industry is on a time table to move away from metal based laminate to plastic thermoformed trim. Arvinyl will need to expand its manufacturing capabilities and train its production personnel to work with the materials such as plastic thermoformed parts, gypsum, medium density fiber board, as well as new laminate materials that include acrylic, PVC and thermoplastic polyolefin films. Expanding its manufacturing capabilities to include these new products will enable the Company to enter markets for roofing materials, furniture manufacturing, and fire resistant paneling.

Additional training is also needed on the Company's JobBoss ERP and Synergy Customer Relationship Management System (CRM). Although the ERP and CRM software was deployed during the latter part of the current agreement, most of the training was delivered to the Company's "super users". Those employees will now become in-house trainers and deliver training to the rest of the Arvinyl work force during the proposed Agreement.

### **Retrainee- Job Creation**

Arvinyl has purchased additional tooling machinery to support its plans to diversify its manufacturing capabilities and has committed to hiring four new employees (Job Number 2) during the Agreement's 24 month term. To be eligible for the Job Creation designation, the trainees must be hired within the three month period prior to Panel approval or during the term of the contract. Newly hired trainees will be subject to a lower post-retention wage. The Job Creation trainees will include three Production Staff and one Sales Staff hired to support the Company's planned expansion.

### **Temporary to Permanent Employees**

The Company estimates that three of the four trainees in Job Number 2 (Job Creation) will fall under the Panel guidelines for "Temporary to Permanent" employment. Arvinyl will retain these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training. These trainees must be determined eligible to participate in ETP funded training before the start of training, while on the payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired.

## Training Plan

**Business Skills** – Sales Staff and selected Managers and Administrative Staff will need advanced sales skills and new product knowledge training to increase the Company's customer base and speak to the new products and processes with acumen. The additional sales skills will also increase these employees' abilities to deal effectively with customers via phone, email, and in person. Teambuilding skills will be delivered to all employees to ensure the Company functions as a high performing team.

**Computer Skills** - All employees will receive training on JobBoss as it relates to their specific job function. JobBoss has the capability to link operations across all departments which is vital to improving the efficiency and company-wide communication needed to support the Company's growth. Production Staff will be trained on Workstation Driver, the data entry point of the ERP software which collects production data. Production Staff will also receive training production software including Alibre (drawing software), JetCam (waterjet machine software) and Bartender (label creation). Administrative Staff, Sales Staff, and selected Managers will receive training in Synergy (Arvinyl's CRM software), used to support sales and customer account information.

**Continuous Improvement** – All occupations will receive skill sets in a variety of Continuous improvement topics. Material flow analysis, scrap reduction techniques, zero waste methodologies, set-up minimization, lean concepts, and metric development and maintenance are important tools to help the Company achieve its business diversification goals. Process improvement skills will standardize control quality in the new manufacturing processes.

**Manufacturing Skills** - Production Staff, and select Managers/Supervisors will receive training in topics such as shearing techniques, CNC controlled processes, raw material inspection & chemistry, maintenance & troubleshooting, fabrication techniques, vinyl chemistry properties, and metal knowledge. Competency in these topics will enable employees to improve production processes and reduce waste.

**Hazardous Materials Handling** – Production Staff working with hazardous materials will receive skills training in hazardous waste/spill operations and emergency response, and the Global Harmonized labeling and reporting protocol for all chemicals.

### Trainers / Training Schedule

Training will be delivered by a combination of in-house personnel and training vendors who have not yet been selected. A training schedule for the first three months of training will be provided to ETP at the start-up meeting.

### Productive Laboratory (PL) - Manufacturing Skills

PL in Manufacturing Skills will be offered to 21 Production Staff in addition to class/lab training, and will compliment class/lab modules. PL tasks will focus on: shearing techniques, CNC controlled processes, finishing skills, raw material inspection, and equipment operation, maintenance & troubleshooting. The trainers are in-house subject matter experts who are exclusively dedicated to instruction for the entire reported training time. Arvinyl has provided ETP staff with a list of tasks and competencies to substantiate the hours proposed for ETP funding.

Trainers will demonstrate specific production processes and then observe trainees, correcting for errors, and ensuring that safe and correct techniques are used. Trainers will certify trainees on the aforementioned tasks once the trainees are deemed competent. At the conclusion of PL,

trainees will be competent in the various production processes and techniques included in the PL curriculum, and will be able to meet minimum productivity standards.

The trainer to trainee ratio for PL will be 1:1 with incumbent and job creation trainees receiving up to a maximum of 24 PL hours in new manufacturing processes.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **ACTIVE PROJECTS**

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

Agreement No.	Approved Amount	Term	No. Trainees Enrolled	No. Completed Training	No. Retained
ET13-0192	\$39,780	10/18/12-10/17/14	31	28	0*

\*28 trainees are currently in the 90 day retention period and will complete retention on 9/17/14. Arvinyl has tracked 1,850 eligible training hours, therefore, eligible to earn 100% of the contract amount if all retention requirements are met.

## Exhibit B: Menu Curriculum

### Class/Lab Hours

8-60

Trainees may receive any of the following:

#### BUSINESS SKILLS

- + Sales – Negotiate to close training
- + Sales – Getting to Yes training
- + Sales – Pain questions & a prospects pain funnel
- + Sales – Curious and skeptical approach and skill set.
- + Team building techniques
- + Leadership skills

#### COMPUTER SKILLS

- + ERP development
- + Workstation Driver
- + MS Office proficiency and further use
- + Customer Relationship Management system
- + Alibre (drawing software)
- + JetCam (waterjet machine operating software)
- + Bartender (label creation software)

#### CONTINUOUS IMPROVEMENT

- + Lean Concepts
- + 5S
- + Material flow analysis
- + Research and development system
- + Scrap reduction techniques
- + Zero waste methodologies
- + Metric development and maintenance
- + Down time elimination
- + Set up minimization
- + Leadership Skills

#### HAZARDOUS MATERIALS

- + Global Harmonized System (GHS) labeling & reporting protocol
- + Haz Mat handling skills

#### MANUFACTURING SKILLS

- + Shearing techniques
- + Fabrication Techniques
- + CNC controlled processes
- + Finishing skills and techniques
- + Equipment operation cross training
- + Maintenance & Troubleshooting
- + Job costing knowledge
- + Raw material inspection
- + Raw material chemistry and supply chain
- + Metal knowledge
- + Vinyl chemistry and properties
- + Adhesive technology

**PL Hours**

0 – 24

**MANUFACTURING SKILLS PL (ratio 1:1)**

- ✦ Shearing techniques
- ✦ Water-jet operation and processes
- ✦ Finishing skills and techniques
- ✦ Lamination equipment operation
- ✦ Maintenance & Troubleshooting
- ✦ Raw material inspection

\* Safety Training will be limited to 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. PL training is capped at 24 total training hours per trainee.