



**Training Proposal for:
Claude Laval Corporation
Agreement Number: ET15-0182**

Panel Meeting of: June 27, 2014

ETP Regional Office: Sacramento

Analyst: L. Lai

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative HUA	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Fresno	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 110	U.S.: 116	Worldwide: 116
<u>Turnover Rate:</u>	10%		
<u>Managers/Supervisors:</u> (% of total trainees)	16%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$122,442		\$0	\$0		\$122,442

In-Kind Contribution:	100% of Total ETP Funding Required	\$185,920
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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 Priority Rate	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills	89	8-200	0	\$1,098	\$15.35
				Weighted Avg: 61			
2	Retrainee Job Creation Initiative Priority Rate	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills	12	8-200	0	\$2,060	\$15.35
				Weighted Avg: 103			

Minimum Wage by County: Fresno County: \$14.90 for Job Number 1; \$12.19 for Job Number 2 (Job Creation).

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 Maybe

Up to \$3.85 per hour may be used to meet the Post-Retention Wage in Job Numbers 1-2.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1 - Retrainees		
Administrative Support		4
Engineer		13
Manufacturing Support		4
Production Staff		29
Accounting Staff		3
Sales Staff		11
Shipping/Material Handler		7
IT		2
Supervisor/Manager		16
Job Number 2 – Job Creation		
Administrative Support		1
Engineer		1
Manufacturing Support		1
Production Staff		5
Accounting Staff		1
Sales Staff		1
Shipping/Material Handler		2

INTRODUCTION

Founded in 1972, Claude Laval Corporation (Claude Laval) is a wholly owned subsidiary of Lindsay Corporation. Located in Fresno, the Company manufactures and markets proprietary filtration systems. Components of the systems include heat transfer, irrigation, industrial, and ground water products.

Customers are in the agricultural, heat-transfer, and industrial markets, both domestically and internationally. Examples of products include JCX Filtration Systems and Twist-2-Clean Products for retail customers, a product known as "sleepers" for the cleaning of cooling towers at power plants, and a more advanced liquid fat filtration system for cooking oil currently used in snack-food production plants (such as potato chips).

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. 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, consistent with New Hire training.

In 2013, the Company completed construction of a second warehouse to separate raw material from finished goods inventory. This new workspace has created business growth and the need for additional staff. In this proposal, Claude Laval has committed to hiring 12 new employees in the following occupations: Administrative Support, Engineer, Manufacturing Support, Production Staff, Accounting Staff, Sales Staff, and Shipping/Material Handler. 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.

PROJECT DETAILS

Claude Laval has experienced steady growth the past few years, and projects further growth based on business forecasts. To maintain quality of products during a time of expansion, the Company must train workers in customer service, Lean manufacturing principles, and a new Enterprise Resource Planning (ERP) that is scheduled for implementation in the winter of 2014.

Training Plan

This will be the second ETP Agreement for Claude Laval. The previous ETP-funded training introduced the employees to the concepts of quality, process improvement, and new management and planning applications. This proposal continues the Company's effort in improving quality and processes. Training will also include the ERP training that was put on hold due to planning and implementation delays. Although some curriculum topics are similar, training in this proposal will be for new employees and incumbent workers who did not take the training previously.

Business Skills (25%) - Training will be offered to all occupations. Topics include customer service, product knowledge, strategic planning, inventory control, forecasting and budgeting. Training will improve communication, customer relations, organizational and planning abilities.

Computer Skills (30%) - training will be offered to all occupations. Courses include SolidWorks, Microsoft Products, SharePoint, Customer Relationship Management and ERP

software. Training will give workers the knowledge to utilize various applications efficiently to manage sales and inventory, and generate reports.

Continuous Improvement (15%) - Training will be offered to all occupations and include quality concepts, process improvement, efficient workflows and Statistical Process Control. Training will enable workers effectively participate in teams to improve processes.

Manufacturing Skills (30%) - Training will be offered to Manufacturing Support, Production Staff and Supervisors/Managers. Training in systems assembly, Lean manufacturing, and proper machine operations will increase employee competencies in processes, development and design, production, and supply chain logistics.

Commitment to Training

The Company's current training budget of \$200,000 annually is used to provide compliance training, employee orientation, on-the-job skills training, and management training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

This training project will be administered by four Human Resources staff who will be responsible for scheduling and coordinating training and trainers; enrolling trainees and entering training hours into ETP database; and meeting with ETP staff.

High Unemployment Area

The trainees in Job Numbers 1 and 2 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in Fresno County qualifies for HUA status under these standards. However, Claude Laval is not requesting a wage modification.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0372	Fresno	05/07/12– 05/06/14	\$198,680	\$122,714 (62%)

The primary reason for the 62% earnings was due to delay in implementation of the new ERP system. The new ERP system is nearly installed and the Company is ready to proceed with training. The current proposal has been right-sized consistent with prior earnings.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Accounting Skills
- Budgeting
- Change Management
- Conflict Resolution
- Creating a Lean Culture
- Customer Service
- Effective Selling Strategies
- Forecasting
- Interpersonal Communication Skills
- Inventory Control
- Leadership Skills
- Managing Your Emotions
- Motivation and Delegation
- New Product Knowledge
- Project Management
- Strategic Planning
- Supply Chain Management

COMPUTER SKILLS

- Customer Relationship Management
- Enterprise Resource Planning
- Microsoft Office (Intermediate/Advanced)
- SharePoint
- SolidWorks

CONTINUOUS IMPROVEMENT

- Efficient Workflows
- Lean Manufacturing
- Problem Solving
- Problem Solving Skills
- Process Improvement
- Quality Concepts
- Statistical Process Control
- Teambuilding Skills
- Total Quality Management

MANUFACTURING SKILLS

- ASME Certification
- Blueprint Reading
- Crane Operation
- Electrical Skills
- Equipment Safety
- Forklift Skills

- Hydro-testing
- Lean Manufacturing
- Machine Operation
- Plumbing Skills
- Systems Assembly
- Welding

Safety Training cannot exceed 10% of total training hours per-trainee

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