



**Training Proposal for:
Compass Components, Inc.
Agreement Number: ET15-0127**

Panel Meeting of: June 27, 2014

ETP Regional Office: San Francisco Bay Area

Analyst: D. Woodside

PROJECT PROFILE

| | | | |
|--|---|---------------------|---|
| Contract Attributes: | Priority Rate Retrainee | Industry Sector(s): | Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served: | Alameda | 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: 138 | U.S.: 253 | Worldwide: 253 |
| Turnover Rate: | 5% | | |
| Managers/Supervisors: (% of total trainees) | 20% | | |

FUNDING DETAIL

| | | | | | |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$122,400 | | \$0 | \$0 | | \$122,400 |

| | | |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$162,500 |
|-----------------------|------------------------------------|-----------|

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 | Advanced Technology, Business Skills, Computer Skills, Cont. Imp., Manufacturing Skills | 85 | 8-200 | 0-100 | \$1,440 | \$16.25 |
| | | | | Weighted Avg: 80 | | | |

ETP Minimum Wage by County: \$16.25 for Alameda County

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 \$2.25 per hour may be used to meet the Post-Retention Wage.

| Wage Range by Occupation | | |
|---|------------|-------------------------|
| Occupation Titles | Wage Range | Estimated # of Trainees |
| Engineering/Design/Project Management Staff | | 30 |
| Office Staff | | 20 |
| Production Associates | | 10 |
| Sales/Marketing/Customer Service Staff | | 8 |
| Managers/Supervisors | | 17 |

INTRODUCTION

Headquartered in Fremont, Compass Components, Inc. (Compass) (www.ccicms.com) was founded in 1979. The Company designs, engineers, manufactures, and distributes a variety of customized cables, harnesses, and electro-mechanical assemblies ranging from simple discrete wire to very complex wired panel assemblies. In addition to contract manufacturing, Compass provides engineering/design services and electronic component distribution services. The Company's Engineering and Production Staff work with customers from diverse industries including medical, transportation, telecommunications, semiconductor, and metal fabrication industries to develop products to each customer's specifications.

Prior ETP Project/Need for Training

This is Compass's second ETP Agreement within the previous five years. The prior contract focused on Continuous Improvement training in achieving ISO 9001:2008 certification, and Computer Skills on the new Epicore ERP System. Manufacturing Skills training were provided to a small group of employees; however, 80% of the training hours were devoted to the ERP system and ISO 9001:2008 program. Both programs were successfully completed.

Since that Agreement ended in 2011, Compass staff has worked with MANEX, a consultant group, which performed a needs assessment to customize training for this proposal. This partnership with Manex resulted in a 5-year Strategic Plan that outlined the company's sales targets, operational needs, and critical employee skills sets needed to support the growth plan.

Because of its new business strategy, Compass has acquired several new customers including larger original equipment manufacturers (OEMs). These OEMs require products that are higher in parts content and complexity (panel level subassemblies vs. cable assemblies) and require a greater level of integration between design, production, test, and assembly. In addition, there are more advanced quality and engineering requirements. Advanced Technology skills will be included in this proposal to retrain technical and engineering staff to meet these challenges. This training was not provided in the previous project.

Compass's new customers are more sophisticated than past customers who typically purchased cables or simple assemblies. As a result, Business Skills training is included in this proposal so that customer service, marketing, purchasing, IT, and office staff have the skill sets they need to serve an expanding and more diverse customer base. This training was not provided in the previous Agreement.

In addition to new customers and products, Compass plans to expand its manufacturing facility into a neighboring building. Equipment will be added and training on new equipment purchased since 2011, and purchased in the future, is included in the training plan.

Finally, each trainee under this proposal will receive coursework not received in any previous ETP-funded training program. Computer skills will only be provided on updated ERP modules and software. In summary, training will focus on more complex product lines, new computer system upgrades, and equipment and processes resulting from facility expansion or investments in new equipment.

Training Plan

All Class/lab and Computer-Based Training (CBT) will occur at the Company's facilities in Fremont in the following areas:

Advanced Technology (AT) (18%) - Engineering/Design/Project Management Staff will receive training in Compass's most complex design and engineering systems including Solid Works, 3D modeling, Electrical and Mechanical schematics, as well as Advanced Quality Programs (AS9100C, ISO 14001) for new and existing business development. The proposed AT courses are highly customized courses costing as high as \$10,000 for an 8-hour training session. All AT training will be delivered with a maximum 1:10 trainer to trainee ratio. Staff recommends approval of the AT rate for these courses.

Business Skills (12%) - Training will be offered to all occupations in communication, customer service, business writing, sale and marketing, leadership, and project management, and conflict resolution. Training will provide staff, especially those that interface directly with customers, the necessary skills to increase knowledge and perform more effectively. The goal of this training is to ensure the Company can manage future growth and meet customer demands.

Computer Skills (20%) – Training will be offered to all occupations and cover all software applications, network/server skills, and especially the Epicore Enterprise Resource Planning (ERP) system which has had extensive upgrades. Training will also include any software necessary for direct interface with customers including RFPs, Engineering Drawing packages, and Automatic Shipping Notifications.

Continuous Improvement (30%) - Training will be provided to all occupations. This training will improve efficiency and productivity by implementing process improvements throughout the organization. Coursework to aid trainees in working collaboratively will include Lean Manufacturing Principles and Skills, Quality System Training ISO 9001, 13485, 5S/Workplace Organization, Root Cause Corrective Actions, 6 Sigma training, and other skills necessary to improve the Company's competitive advantage, reduce costs, shorten lead times, and capture new business.

Manufacturing Skills (20%) – Training will be provided to Production Associates, Engineering/Design/Project Management Staff, and Managers/Supervisors working in production. Training may include system integration processes, troubleshooting, testing, reliability, warehouse inventory procedures (WIP), workflow /scheduling, soldering skills, electrical schematic documentation, standard work, and cross training in equipment operation, assembly, inspection technologies, and packaging advancements for new products.

Commitment to Training

The Company has an on-going training budget spending approximately \$55,000 annually on training. Compass provides primarily on-the-job training in basic job skills to all employees. Because Compass is a small-sized manufacturer (138 employees in Fremont), its ability to provide on-going classroom training has been limited to some quality, management, and business skills training.

Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

| Agreement No. | Location (City) | Term | Approved Amount | Payment Earned |
|---------------|-----------------|---------------------|-----------------|-----------------|
| ET10-0123 | Fremont | 8/21/09- 8/20/11 | \$36,828 | \$36,828 (100%) |

DEVELOPMENT SERVICES

Manex Consulting, San Ramon, assisted with development for a flat fee of \$7,650.

ADMINISTRATIVE SERVICES

Manex Consulting will also provide project administration for an amount not to exceed 11% of the payment earned.

TRAINING VENDORS

Training will be delivered primarily by in-house trainers. Any outside vendors will be identified during the term of the contract.

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

8-200

Trainees may receive any of the following:

ADVANCED TECHNOLOGY

- + Electrical Schematics
- + Failure Mode and Effect Analysis
- + Design for Assembly
- + Design for Manufacturing
- + Design of Experiments
- + Pro Engineer
- + Catia, Epicore or Advanced Software Programs
- + Computer Programming
- + Computer Networking
- + Computer Modeling
- + 3D Printing/Solid Modeling

BUSINESS SKILLS

- + Business Plans
- + Business Strategies
- + Communication Skills
- + Customer Service
- + Developing Sales Strategies
- + Listening Skills
- + Leadership Skills
- + Multi-Cultural Awareness
- + Negotiating Skills
- + Project Management Techniques
- + Strategic Planning
- + Effective Meetings
- + Effective Teams
- + Effective Writing

COMPUTER SKILLS

- + Software Applications
- + Database Management
- + Desktop Publishing
- + ERP/MRP Training
- + Graphics
- + Internet
- + Programming
- + Advanced Spreadsheets/Data Base Development
- + Website Development

CONTINUOUS IMPROVEMENT

- + 5S: Sort, Set, Shine, Standardize, Sustain
- + ISO 14001/ISO 9001/AS 9100C
- + HPWT – High Performance Work Teams
- + Lean Processes
- + Organizational Skills/Performance
- + Problem Solving

- + Product/Process Improvement
- + Team Meetings for Process Improvement
- + Workflow Optimization
- + Workplace Communications
- + Handling Difficult Situations
- + Influencing Others/Negotiation Skills
- + Management Workflow and Schedules
- + Performance Management
- + Root Cause Analysis
- + Statistical Process Control
- + Sigma Quality Practices

MANUFACTURING SKILLS

- + Assembly Operations
- + Automated Equipment
- + Air Filtration/Clean Room
- + Soldering Skills
- + Electronic Assembly Workmanship
- + New Equipment Training by Vendors
- + Engineering Revision Control Process
- + Geometric Dimensioning & Tolerances
- + Inventory Control
- + Maintenance
- + Mechanic Overview Level 1
- + Maintenance Mechanic Overview Level 2
- + Pneumatics/Hydraulics
- + Programmable Logic Controllers
- + Good Manufacturing Practices
- + Warehousing Operations
- + Advanced Techniques for New Products, Industries, and Processes
 - o Cloud Technologies
 - o Design and Engineering
 - o Equipment Operations
 - o High Speed Coherent Products Technology
 - o Production Skills/Cross-Training

Computer-Based Training Hours

0-100

COMPUTER SKILLS

- + Access®Secrets (60 min)
- + Adobe®Acrobat®Secrets (60 min)
- + Excel®Secrets (60 min)
- + PowerPoint®Secrets (60 min)
- + Access®2007 Advanced (153 min)
- + Excel®2007 - Working with Charts (60 min)
- + Excel®2007 - Working with PivotTables (60 min)
- + Excel®2007 - Working With Workbooks (60 min)
- + Excel®2007 - Advanced (138 min)
- + Excel®2007 - Charting (61 min)
- + Excel®2007 - Statistical Analysis (66 min)
- + Excel®2007 - Intermediate (138 min)

- ✚ Excel®2007 - Intro (184 min)
- ✚ Excel®2007 - Pivot Tables (60 min)
- ✚ Choosing the Right CRM Software (60 min)

BUSINESS SKILLS

- ✚ Confronting Workplace Conflict (60 min)
- ✚ Conquering Sales Objections (60 min)
- ✚ Control Chaos and Clear Out the Clutter (60 min)
- ✚ Creative Ways to Reward and Motivate Employees (60 min)
- ✚ Criticism & Discipline Skills for Managers and Supervisors (60 min)
- ✚ How to Deal with Employee Complaints and Concerns (60 min)
- ✚ How to Manage Emotions in the Workplace (60 min)
- ✚ How to Manage, Train, and Motivate the Change-Resistant Employee (60 min)
- ✚ How to Overcome Disruptive Workstyle Differences (60 min)
- ✚ 1 to 1: Customer Service Success (60 min)
- ✚ Creating Great Customer Conversations (60 min)
- ✚ Customer Relationship Management (60 min)
- ✚ Customer Service Basics (60 min)
- ✚ Customer Service: Cutting Expenses (60 min)
- ✚ Customer Service: Do They Like You (60 min)
- ✚ Customer Service: The Next Level (60 min)
- ✚ Effective Techniques for Dealing with Difficult Customers (60 min)
- ✚ Feedback Surveys: Planning (60 min)
- ✚ Feedback Surveys: Reporting and Interpreting (60 min)
- ✚ Feedback Surveys: Response Formats (60 min)
- ✚ Feedback Surveys: Satisfaction Items (60 min)
- ✚ Feedback Surveys: Writing Statements (60 min)
- ✚ Ethics and Business Conduct (60 min)
- ✚ Evaluate Your Performance (60 min)
- ✚ Fred Pryor on Leadership (60 min)
- ✚ Goal-Setting in the Workplace (60 min)
- ✚ Handling Conflict: An Employees' Guide (60 min)
- ✚ Bad Email Habits (60 min)
- ✚ Business Writing for Results (60 min)
- ✚ Active Listening (60 min)
- ✚ Conflict Management (60 min)
- ✚ Emotional Intelligence (65 min)
- ✚ Ethics (60 min)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT training cannot exceed 50% of total training hours per-trainee.