



**Training Proposal for:
Detoronics Corp.**

Small Business

ET16-0330

Approval Date: December 30, 2015

ETP Regional Office: North Hollywood **Analyst:** E. Fuzesi

CONTRACTOR

- Type of Industry: Manufacturing
- Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 14
 - Worldwide: 14
 - Number to be trained: 14
 - Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 3%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$23,660
- In-Kind Contribution: \$26,900

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 | Computer Skills, Cont. Impr., Mfg. Skills | 14 | 8-120 | 0 | \$1,690 | \$16.75 |
| | | | | Weighted Avg: 65 | | | |

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Production Staff, Quality Control Staff, Sales Staff, Manager, Owner
- Union Representation: Yes
 No
- Health Benefits: N/A

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1959, Detoronics Corp. (Detoronics) (www.detoronics.com) is a precision glass-to-metal hermetically sealed connector manufacturer for commercial, industrial, aerospace, military industries and for medical applications worldwide. Detoronics has been operating from its new 6,000-square foot facility in Santa Fe Springs since early 2015.

Hermetic connectors must function reliably under extreme environmental conditions. Detoronics’s custom orders are manufactured to meet special requirements to withstand exposure to high pressure and varied temperature conditions for missiles and aircraft engines, as well as submersion for ships and submarines.

Detoronics has recently purchased a new ERP system (E2 Shop); a completely integrated shop management system, to improve overall data collection and production scheduling. Additionally, Detoronics is in the process of purchasing a new CRM system to improve sales processes. The ETP-funded training will support formal training, and help Detoronics move to the next level in its business operations.

In 2016, Detoronics is also planning to purchase a Computer Numeric Controlled (CNC) Milling Center for the Machining Department. This center will provide an efficient work environment that maximizes both shop labor and equipment usage to boost productivity, quality, and increase the Company’s loyal customer base.

In addition to the planned continuous process improvement training to support the delivery of quality products, businesses in this industry thrive to be on the Qualified Product List (QPL) to gain more government business. QPL certification indicates achievement of well-established performance-based standards and product specifications, which represent quality assurance, and reliability requirements for military applications. QPL certification will help Detoronics be identified as a manufacturer in good standing, thereby recognized for high quality and reliable products. It will also provide statewide product visibility, which will increase market opportunities.

To reach these goals and support these new initiatives, Detoronics needs to provide training across the entire business to implement Lean Manufacturing techniques, better inventory control, and faster turn-around times to satisfy customer demands and government requirements.

This will be Detoronics' first ETP Agreement.

Training Plan

Continuous Improvement (20%) – Training will be offered to all staff to achieve QPL requirements, increase overall sales, and improve processes by learning new concepts and methods. As a result of the training, Detoronics expects to improve product through-put and efficiencies by 50%, thereby reaching the Company's business and production goals in productivity, quality, and performance.

Computer Skills (50%) – Training will be offered to all staff to learn using the new ERP and CRM systems. Training will help Detoronics reach its internal and external requirements, improve sales, production schedules, and cost analysis. E2 will provide a real-time, computerized data collection, monitoring, and scheduling system.

Manufacturing Skills (30%) – Training will be offered to all staff to improve the machining capability output and consistencies of product quality. CNC Milling Centers will allow Detoronics to speed up our machining capabilities, and shorten set-up times between each operation.

Modifications

Contract Term Limitation

Detoronics is requesting an additional 12 months to be added to the agreement term. The additional 12 months will enable the Company to adequately handle potential workload fluctuations, due to production delays and customer priorities. During peak production times, Detoronics does not have the capacity to stop production for training. This increased flexibility will support planning and scheduling, and reduce any production impacts due to increased production demands.

Training Hours Limitation

Given the scope of the project, key Production, Sales, and Management Staff will need up to 120 hours of training depending on their roles and responsibilities. The additional hours will also help trainees enhance and develop skills in new manufacturing concepts. The remaining trainees will receive an average of 65 hours of training across all training topics.

High Unemployment Area

All trainees work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company's location in Santa Fe Springs, Los Angeles County qualifies for HUA status under these standards.

➤ Wage Modification

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. However, Detoronics is not asking for a wage modification.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-120

Trainees may receive any of the following:

COMPUTER SKILLS

- CRM
- E2 (ERP)

CONTINUOUS IMPROVEMENT

- Qualified Products List (QPL)

MANUFACTURING SKILLS

- Assembly
- CNC Milling Machine Operation
- CNC Milling Machine Programming
- Molding Machine Operation
- Stamping
- Ultrasonic Cleaning

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

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| Note: Reimbursement for retraining is capped at 120 total hours per-trainee, regardless of method of delivery. |
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