



**Training Proposal for:
Flavor Producers, Inc.**

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| Small Business |
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ET16-0390

Approval Date: March 24, 2016

ETP Regional Office: North Hollywood **Analyst:** M. Reeves

CONTRACTOR

- Type of Industry: Manufacturing
- Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 87
 - Worldwide: 111
 - Number to be trained: 78
 - Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 8%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$91,260
- In-Kind Contribution: \$102,875

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 Imp., Mfg. Skills | 64 | 8-60 | 0 | \$1,170 | \$16.48 |
| | | | | Weighted Avg: 45 | | | |
| 2 | Retrainee SB <100 HUA Priority Rate | Business Skills, Computer Skills, Continuous Imp., Mfg. Skills | 14 | 8-60 | 0 | \$1,170 | \$12.36* |
| | | | | Weighted Avg: 45 | | | |

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Laboratory Staff, Production Staff, Office Staff, Sales Staff
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$2.73 per hour Job #2: \$2.36 per hour

SUBCONTRACTORS

- Development Services: Downey, Smith & Fier in Lakewood assisted with development at no charge.
- Administrative Services: Downey, Smith & Fier will provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Flavor Producers, Inc. (Flavor Producers) manufactures flavors for drinks, dairy products, baked goods, nutrition bars, cereals, and more. The Company was founded in 1981 and is located in Valencia. The Company’s premium custom flavors, produced in powder or liquid form, are available in: Certified Organic, Natural, Natural & Artificial, Artificial, Kosher, and Non GMO (genetically modified organism).

Need for Training

Flavor Producers has experienced significant growth over the past few years. As such, the Company has determined that it must improve internal efficiencies to maintain quality and control costs. In addition, tighter flavor industry regulations make it necessary for the Company to improve its manufacturing procedures. Specific areas identified for improvement include food/material handling, laboratory skills, sanitation processes, communication skills, and order processing. The Company is implementing new systems and processes, including a new Manufacturing Resource Planning (MRP) system. This new system features an integrated platform that impacts all areas of the organization.

To maximize the utility of its new MRP system and improve overall operations, the Company plans to upgrade workers' skills in the areas of product development, customer service, manufacturing, sales, inventory control, and cost reduction. By retraining workers in the latest manufacturing software technology, Flavor Producers will be able to establish tighter business controls and achieve higher quality standards through improved plant efficiency.

Training Plan

Business Skills – Training will be provided to all occupations. Training will focus on product knowledge, inventory control, sales techniques, and project management. This training is intended to improve customer communication and stimulate sales growth.

Computer Skills – Training will be provided to all occupations. All employees will receive training in the functionality and capabilities of the new MRP system. Trainees will develop staff's software navigation and resource planning skills to perform their jobs more efficiently. In addition to MRP training, workers will receive training in Microsoft Office applications, customer relationship management, and tablet technology to improve office customer relations and office productivity.

Continuous Improvement – Training will be provided to all occupations. This training is designed to improve internal processes, reduce costs, and maximize organizational efficiency through problem solving and data evaluation.

Manufacturing Skills – Training will be provided to Production Staff and Laboratory Staff. Trainees will gain the skills and knowledge to operate and maintain equipment, ensure product quality, and implement best practices in the areas of product production and food/materials handling.

High Unemployment Area Wage Modification

The trainees in this proposal work in a High Unemployment Area (HUA). The Los Angeles County area encompassing Valencia and Val Verde is a region with unemployment exceeding the state average by at least 25%. Flavor Producers' facility in Valencia qualifies for HUA status under these standards.

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. Flavor Producers is requesting a wage modification from \$16.48 to \$12.36 per hour for the 14 trainees in Job Number 2 only.

RECOMMENDATION

Staff recommends approval of this proposal.

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

8 - 60

Trainees may receive any of the following:

BUSINESS SKILLS

- + Product Knowledge and Specifications
- + Customer Service
- + Leadership
- + Project Management
- + Team Building
- + Inventory control
- + Sales Skills
- + Time Management

COMPUTER SKILLS

- + MRP System
- + Office Software
 - o Customer Relationship Management (CRM)
 - o Enterprise Resource Planning (ERP)
 - o Microsoft Office
- + Tablet Training

CONTINUOUS IMPROVEMENT

- + Quality Improvement
- + Cost Reduction/Data Evaluation/Material Handling
- + Efficiency/Process Improvement

MANUFACTURING SKILLS

- + Production Equipment Operation
- + Equipment Maintenance Skills
- + Food Safety/Production Standards
- + Good Manufacturing Practices

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