



**Retrainee – Job Creation  
Training Proposal for:  
Futuris Automotive (CA) LLC  
Agreement Number: ET15-0296**

**Panel Meeting of:** November 14, 2014

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** L. Lai

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Alameda	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 90	U.S.: 90	Worldwide: 2,400
<u>Turnover Rate:</u>	3%		
<u>Managers/Supervisors:</u> (% of total trainees)	4%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$424,640		\$0	\$0		\$424,640

In-Kind Contribution:	100% of Total ETP Funding Required	\$679,200
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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. Impr., HazMat, Mfg. Skills	90	8 - 200	0	\$1,296	\$17.00
				Weighted Avg: 72			
2	Retrainee Job Creation Initiative	Business Skills, Computer Skills, Cont. Impr., HazMat, Mfg. Skills	200	8 – 200	0	\$1,540	\$16.25
				Weighted Avg: 77			

**Minimum Wage by County:** \$16.25 for Retrainee and \$13.55 for Job Creation 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

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job 1 - Retrainees</b>		
Production Staff (Logistics, Quality, Shipping and Receiving)		70
Engineer		10
Office Personnel		4
Manager/Supervisor		6
<b>Job 2 – Job Creation Retrainees</b>		
Production Staff (Logistics, Quality, Shipping and Receiving)		177
Engineers		10
Office Personnel		7
Manager/Supervisor		6

**INTRODUCTION**

Futuris Automotive (CA) LLC (Futuris) was founded in the 1980s in Australia to design, engineer and manufacture automotive interior systems for emerging markets along with niche, high value-added products for developed markets. In 2005, Futuris launched a program to attract businesses from U.S. and China. In 2012, Futuris was founded as a supplier of seats for Tesla Motors. Futuris currently has 90 employees in California. The manufacturing processes took

place inside the Fremont Tesla facility until May 2014, when the Company leased 160,000 square feet of office and industrial space in Newark.

### **Need for Training**

Tesla plans to ramp up production on the Model S (70,000 in 2015) and begin production on the Model X (50,000 in 2015). As the sole seat supplier to Tesla, Futuris must increase manufacturing capacity to meet Tesla's production timeframe. In addition to producing seats, Futuris will be expanding its product lines to include headliners for the Model S, and seats and headliners for the Model X. Headliners were previously made by companies located outside of California.

To meet Tesla's demands and timeframe, Futuris must improve employees' skill sets to reduce costs, eliminate waste, produce quality products, and become more efficient in the production processes. In addition, the Company also has a renewed commitment to empower employees to encourage open communications, teamwork, engage all employees on continuous improvement best practices to identify and quickly resolve issues.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

Futuris moved into the new 160,000 square foot facility in July of 2014 and will be investing over \$8 million in new equipment. The Company is committed to hiring 200 new employees (Job Number 2). Trainees must be hired within the three-month period prior to Panel approval or during the term of contract. The new equipment and additional staff are needed to expand the Company's capacity to meet the growth demand of Tesla.

## **PROJECT DETAILS**

**Business Skills (5%)** – Training will be offered to all occupation in communication skills, team building, negotiating skills, report writing, project management, marketing strategies, and product development. Training is critical to support the Company as it continues to grow and compete in the marketplace.

**Computer Skills (10%)** – Training will be offered to all occupations to develop skills specific to individual job functions. Training will allow employees to effectively use the Company's systems to generate data and manage resources effectively.

**Continuous Improvement (20%)** – This training will be provided to all occupations and focuses on quality and process improvement to reduce costs and eliminate waste. Trainees will learn how to identify and solve problems to produce better quality products. Managers and Supervisors will be provided with leadership, teambuilding and coaching skills, which will enable them to lead their teams more efficiently.

**Hazardous Materials (5%)** – This training will be provided to Production Staff to comprehend the proper use, handling and disposal of hazardous substances during manufacturing.

**Manufacturing Skills (60%)** – Training will be provided to Production Staff, Engineers, Managers and Supervisors. Training will include assembly and equipment operations, blueprint reading, quality control, manufacturing processes, and testing techniques. Trainees will gain

the skills and knowledge necessary to operate production equipment, ensure product quality, and implement best practices in product manufacturing operations. This training will also enable manufacturing employees to cross-train to work in different production operations as needed to broaden their skill sets.

### **Commitment to Training**

Futuris represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

The HR manager will oversee and coordinate the ETP Program along with a dedicated team of staff to schedule training, monitor training status, and enter data into the ETP systems. The Company plans to develop monthly training schedules to manage and balance workload.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

Futuris retained California Manufacturing Technology Consulting-Manex in San Ramon to assist with development of this proposal at no cost.

### **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**

- Business Plans
- Communication Skills
- Conflict Resolution
- Customer Service
- Developing Marketing Strategies
- Developing Sales Strategies
- Effective Report Writing
- Effective Team Building
- Finance for Medium-Sized Manufacturers
- Interpersonal Skills
- Inventory Control
- Negotiating Skills
- New Product Development
- New Product Introduction
- Product Development
- Product Management
- Project Management
- Report Writing
- Sales Management
- Sales Methodologies
- Strategic Planning
- SWOT Analysis (Strengths, Weakness, Opportunities, Threats)
- Time Management

**COMPUTER SKILLS**

- Accounting Systems
- Advanced Excel and Access
- Communications Systems (IBOS)
- Computer Networking/Support systems
- Database Management (Teamcenter)
- Engineering Design Software (CATIA)/Autocad
- ERP (Enterprise Resource Planning)
- HRIS (Human Resources Information System)
- IT Programming
- Manufacturing Equipment Support (Allen Bradley, Siemens, Programmable logic controller)
- MRP (Manufacturing Resource Planning)
- Robotic
- Website Development and Maintenance

**CONTINUOUS IMPROVEMENT**

- 5S: Sort, Set, Shine, Standardize, Sustain
- Basic Quality Tools  
Coaching

- Creative Problem Solving
- Cycle-Time Reduction Techniques
- Decision Making
- Interpreting & Analyzing Data
- ISO Audit Principles
- Leadership
- Lean Manufacturing
- Maintenance (Total Quality Manufacturing)
- Motivation
- Process/Product Handling
- Process Control & Improvement
- Production Operations & Workflow
- Production Scheduling
- Project Management
- Standard Operating Procedures
- Statistical Process Control (SPC)
- Teambuilding

#### **HAZARDOUS MATERIALS**

- Chemical Usage and Handling
- Disposal of Hazardous Materials

#### **MANUFACTURING SKILLS**

- Assembly Operations
- Blueprint Reading
- Equipment Training
- Facilities Management
- Foam Manufacturing
- Forklift Safety/Operations
- Headliner Manufacturing
- Inventory Management
- Machines Inspections
- Quality Control and Final Quality Assurance
- Set-Up Reduction
- Shipping/Receiving
- Statistics Skills for Operations
- Testing Techniques
- Warehousing Operations/Distribution
- Water Jet Cutting
- 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 method of delivery.