



**Training Proposal for:  
Hixson Metal Finishing**

**Fast Track ≤ \$100,000**

**ET15-0106**

**Panel Meeting of:** June 27, 2014

**ETP Regional Office:** San Diego

**Analyst:** K. Campion

**CONTRACTOR**

- Type of Industry: Manufacturing  
Aerospace and Defense  
Priority Industry:  Yes  No
- Number of Full-Time Employees  
California: 148  
Worldwide: 148  
Number to be trained: 59  
Owner  Yes  No  
Mgr/Supr 12  
Frontline 47
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training:  Yes  No
- High Unemployment Area:  Yes  No
- Turnover Rate: 7%
- Repeat Contractor:  Yes  No
- Substantial Contribution:  Yes  No

**FUNDING**

- Requested Amount: \$86,022
- In-Kind Contribution: \$106,667

**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 Continuous Impr. OSHA 10/30	59	8-200	0	\$1,458	\$15.98
				Weighted Avg: 81			

- Reimbursement Rate: \$18 Priority Retraining
- County: Orange
- Occupations to be Trained: Production Worker, Support Staff, Lead, Supervisor, Manager
- Union Representation:  Yes  
 No
- Health Benefits: \$2.23 per hour
- Electronic Recordkeeping: N/A

**SUBCONTRACTORS**

- Development Services: Performance Ascent, Inc. in Irvine assisted with development at no charge.
- Administrative Services: N/A
- Training Vendors: Performance Ascent, Inc. in Irvine was also retained to provide Class/Lab training for an amount yet to be determined.

**OVERVIEW**

Founded in 1960 and located in Newport Beach, Hixson Metal Finishing (Hixson) provides manufacturing services to the military, aerospace, and commercial aircraft communities. Hixson offers more than 85 finishing processes in its 40,000 square foot production facility including anodizing, plating, non-destructive testing, and metal painting. The Company provides “one-stop” processing for the Aerospace and Defense Industries (A&D) and is a supplier to most major aerospace companies, including Boeing and Lockheed.

**Training Plan**

Hixson reports that the entire A&D Industry is being challenged to reduce costs, improve on-time delivery and quality to near 100%, and increase capacity for growth. Consequently, Hixson must deploy Lean Manufacturing processes to improve quality, reduce scrap, and improve lead times in order to remain profitable.

This will be Hixson’s 2<sup>nd</sup> ETP Agreement. In its first ETP Agreement, the Company needed training to begin the implementation of Lean Manufacturing processes. The training was successful in helping Hixson adopt a Lean Manufacturing strategy. However, the Company has grown its sales by over 58% and increased its workforce over 30% since.

As a result, the Company needs to ensure that all workers are properly trained in order to manage its growth. Training will primarily be in new curriculum topics designed to meet its strategic goals; however, a small percentage of training courses from the prior ETP Agreement may be offered again in this proposal but only for trainees that were not trained under the prior Agreement. Past training will not be duplicated.

**Business Skills (30%)** – Training will be provided to all occupations and is focused on improving customer satisfaction through effective communication and time management skills.

**Computer Skills (1%)** – Training will be provided to select Support Staff, Supervisors, and Leads based on job functions in order to increase communication efficiency, improve records retention, and provide universal skills to employees to standardize and simplify job functions.

**Continuous Improvement (64%)** – Training will be provided to all occupations in order to implement programs to increase efficiency and cost-effectiveness, gain buy-in from front line employees, and improve product integrity without increasing overhead. Leadership and Team training is projected to improve performance, empower front line workers to improve their own performance, increase team efficiency, and provide growth opportunities for all workers.

**OSHA 10/30 (5%)**

OSHA 10/30 training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of training for front-line staff and 30 hours for management personnel. Completion of the training results in a certificate that expands employment opportunities. To ensure that each trainee receives certification, ETP will only consider payment earned upon completion of the full 10-hour or 30-hour course. This training will be provided to Production Workers, Leads, Supervisors, and Managers.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET10-0282	Newport Beach	11/02/09– 11/01/11	\$73,602	\$50,838 (69%)

Hixson reports that during the last year of the contract term, the Company began experiencing unprecedented growth in sales, which propelled the Company to hire additional staff. Hixson was then challenged with balancing production, customer requirements, and training needs which affected the ETP training schedule as some training courses were delayed or cancelled because staff resources were needed for production and on-the-job training efforts unrelated to the ETP-funded training. As a result,

some trainees were unable to attend training and/or complete the minimum number of training hours to qualify for reimbursement. Consequently, the Company earned 69% of the Agreement amount.

To prevent disruptions to the training schedule for this second Agreement and ensure all trainees are able to attend training, Hixson is hiring additional production personnel, adding additional shifts, and expanding production to weekends to ensure production goals can be maintained during training periods. The Company is maintaining a 6-month rolling training schedule which will be communicated throughout the organization in advance to ensure all production conflicts can be dealt with in advance of training to avoid absences.

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

8–200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Customer Service Skills
- Priority Management Skills
- Communications Skills
- Time Management Skills
- Task Management Skills

**COMPUTER SKILLS**

- MS Office Application Skills

**CONTINUOUS IMPROVEMENT**

- Accident Prevention Culture Techniques
- Lean Thinking
- Lean Manufacturing Process Skills
- Critical Thinking Skills
- Self-Directed Team Skills
- Performance Management Skills
- Leadership Empowerment Skills
- Leadership Coaching and Mentoring Skills
- Team Leadership
- Teambuilding Skills
- Delegation Skills
- Negotiation and Problem Solving Skills

**OSHA 10/30 (OSHA Certified Instructor)**

- OSHA 10 (requires completion of 10 training hours)
- OSHA 30 (requires completion of 30 training hours)

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

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