



**Training Proposal for:  
Kimberly-Clark Worldwide, Inc.  
Agreement Number: ET15-0173**

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

**ETP Regional Office:** San Diego      **Analyst:** S. Godin

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Job Creation Initiative	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Orange	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Association of Western Pulp & Paper Workers, Fullerton Local #672		
Number of Employees in:	CA: 380	U.S.:18,750	Worldwide: 57,000
<u>Turnover Rate:</u>	4%		
<u>Managers/Supervisors:</u> (% of total trainees)	11%		

**FUNDING DETAIL**

<b>Program Costs</b>	-	<b>(Substantial Contribution)</b>	<b>(High Earner Reduction)</b>	=	<b>Total ETP Funding</b>
\$381,000		\$105,560 30%	\$0		\$275,440

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$315,000
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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, Continuous Improvement, HazMat, Manufacturing Skills, PL- Manufacturing Skills	260	8-200	0	* \$944	\$17.45
				Weighted Avg: 75			
2	Retrainee Job Creation	Business Skills, Computer Skills, Continuous Improvement, HazMat, Manufacturing Skills, PL- Manufacturing Skills	10	8-200	0	\$3,000	\$17.00
				Weighted Avg: 150			

\* Reflects Substantial Contribution

**Minimum Wage by County:** \$15.98 for Orange 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.

**Job Number 1: Incumbent Worker Trainees Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		5
Engineering Staff		10
Facility Service Staff		5
Finance Staff		5
Human Resources Staff		5
Managers/Supervisors		15
Maintenance Mechanic Staff		30
Operators/Assistant Operators		165
Support Staff (Material Handlers, Loaders, Stackers)		20

<b>Job Number 2: Job Creation Trainees Wage Range by Occupation</b>		
Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		2
Facilities Service Staff		2
Maintenance Mechanic Staff		2
Operators		2
Support Staff (Material Handlers, Loaders, Stackers)		2

## **INTRODUCTION**

In this proposal, Kimberly-Clark Worldwide, Inc. (KCW) seeks funding for retraining as outlined below for its Fullerton Mill, a wholly owned branch of KCW:

Founded in 1872, KCW ([www.kimberly-clark.com](http://www.kimberly-clark.com)) is a manufacturer of various personal and home consumer products. These products include facial tissue, diapers, baby care products, bathroom tissue, wet wipes, industrial wipes, paper towels, feminine hygiene products, and medical supplies (gowns, gloves) with manufacturing plants located throughout the world.

KCW meets out-of-state competition standards as an industrially classified manufacturer and is eligible for priority industry reimbursement. KCW's Operators, Maintenance Mechanics, Facilities Service and Technical Support Staff are represented by the Association of Western Pulp & Paper Workers, Fullerton Local Number 672. A union letter of support for the proposed training has been provided.

## **PROJECT DETAILS**

The Fullerton Mill is the site for the proposed training. From this site, the Company manufactures and distributes facial tissue, bathroom tissue and industrial wipes for organizations such as Wal-Mart, Costco, hospitals, hotels, and other businesses throughout the western United States. This is the third ETP proposal for KCW Fullerton within the last five years.

Training in the previous ETP Agreements focused primarily on Lean Manufacturing concepts which included Kaizen events and standardized work processes. Employees participated in training topics such as Lean Boot Camp and Process and Procedure Training. Employees were trained on Mill Production Procedures and Problem Resolution needed to streamline manufacturing operations.

The closure of KCW's Washington State mill in late 2012 now makes the Fullerton Mill KCW's only manufacturing and distribution facility west of the Rocky Mountains. As such, Fullerton has been tasked with expanding its delivery territory and increasing its manufacturing capacity and overall production efficiencies. KCW will need to increase the manufacturing output of its tissue manufacturing lines by 90% and its conversion lines by 70% to compensate for the Washington mill closure.

To achieve these goals, the Company plans to implement a newly-minted "Verification System" training program and continue to roll out its Accountability System to the entire mill. The Verification System consists of training to a series of manufacturing operating procedures on each piece of equipment on the mill floor. This system is geared towards cross-training entry-level and

lower skilled workers on high capacity production equipment. A panel of master-level operators will evaluate a trainee's proficiency level and certify competencies through oral testing and hands-on equipment operation demonstrations.

KCW's Accountability System, which began as a pilot on the previous ETP Agreement, will be deployed throughout the facility. Skill-sets acquired through Accountability System training will empower frontline workers to identify and take action on problems rather than waiting for a supervisor to intervene. The system's credo (See it, Own it, Solve it, and Do it) is expected to reduce production bottlenecks and increase mill efficiency.

KCW reports that the need for training is also being driven by the number of upcoming retirements. By cross-training lower skilled and entry-level workers to move up the career ladder, KCW will be better equipped to backfill the vacated positions as retirements occur.

### **Retrainee - Job Creation**

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

KCW intends to hire and train new staff to fill skill and experience gaps, increase business capacity and higher production demands, and improve workflow. KCW has committed to hiring 10 new employees as shown in Job Number 2 during the term of this Agreement. To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract. As a feature of this program, the Substantial Contribution requirement will be waived for Job Number 2.

## **PROJECT DETAILS**

**Business Skills (20%)** - Trainees across all occupations will receive skill sets in topics such as advanced communication skills, coaching for high performance, effective leadership, Course topics include: advanced customer service, advanced product knowledge, and project management. Training will focus on business development and meeting customer demands.

**Computer Skills (10%)** - Training will be provided to all occupations as it relates to specific job functions. Training will include: Internet Applications, Accounting/Billing/Payment Systems, Inventory Control Software, KCW proprietary software, Project Management Software, and Production Software. Training will provide the skills necessary to navigate the software that supports KCW's manufacturing environment.

**Continuous Improvement (25%)** - Training will be delivered to all occupations and is designed to improve processes and efficiencies throughout the organization. The training will give employees the skills to manage performance and process improvements, think strategically, and set appropriate goals for themselves and the organization. The result of this training will be to reduce costs, eliminate waste, and identify and resolve production problems.

**Hazardous Materials Handling (5%)** - Employees who deal with hazardous materials handling and control will receive skills training in hazardous waste/spill operations and emergency response, and learn to correctly complete material safety data sheets.

**Manufacturing Skills (35%)** - Training will be offered to Operators, Engineers, Technical Support, Facilities Support, Maintenance Staff and selected Managers/Supervisors. Training will include topics such as Verification Systems training, Operating Standards, Certification & Master

Operator Skills, Maintenance Procedures, and Distribution Processes. Competency in these topics will improve manufacturing operations and increase production efficiencies.

### **Productive Laboratory - Manufacturing Skills (5%)**

The Panel has adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

KCW requests to deliver PL training in Manufacturing Skills topics to approximately 50 of its existing and newly-hired Operators, Engineers, Technical Support Staff, Facilities Support Staff and Maintenance Mechanics. These trainees will receive no more than 24 hours of PL training.

PL training will be specific to the type of equipment and/or process in order to ensure trainees receive a broader understanding of the entire manufacturing process and are able to properly operate each piece of machinery on the mill floor. KCW represents that the PL trainer will be qualified and/or machine certified to instruct and deliver the course content and material. PL trainers will demonstrate skills and repeat, test, observe, correct, and coach each PL trainee.

The Company anticipates production will be decreased by up to 50% of normal capacity during PL. This will allow trainees to acquire the skills to become competent in the operation of the equipment without the pressure of normal production requirements.

PL trainees will be trained with a trainer-to-trainee ratio between 1:1 and 1:3 and hours will be capped at 24 hours per trainee.

### **Impact/Outcome**

KCW expects an increase in production volume, reductions in error rate and customer rejects, increase in on-time delivery, reduced waste/rework, and elimination of hazmat non-conformance issues as it increases production output to compensate for the closure of the KCW's Washington mill.

### **Training Infrastructure**

KCW's training department will work directly with National Training Company (NTC) to administer the ETP-funded Agreement. The Company expects to start training within 10 days of Panel approval. The ETP Agreement will be managed out of KCW's company headquarters in Fullerton by the KCW staff that handled the prior ETP Contract

### **Commitment to Training**

KCW represents that ETP funds will not displace the existing financial commitment to training. Company representatives further state that funding of these topics will continue on an ongoing basis in the future. Kimberly-Clark's representatives state that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Although KCW does not have a training budget, approximately \$155,000 per year is spent at the Fullerton facility for training in on-the-job manufacturing skills, New Employee Orientation, Basic Computer Skills Training, and Safety training

ETP funds will permit KCW to conduct more in-depth and advanced training than what has been previously offered for retrainees included in the proposed training plan. Training will not displace its current informally delivered training. None of the trainees that were trained in prior ETP Agreements will repeat the same training under this Agreement.

KCW will deliver training on more advanced Lean Manufacturing topics, including meeting Lean Capability Targets and lean deployment. With the assistance of ETP, KCW will provide advanced skills training needed to meet increased production and customer demands resulting from the plant's expanded territory.

### **Substantial Contribution**

KCW is a repeat contractor with payment earned in excess of \$250,000 at the Fullerton mill within the past five years. (See Prior Project Table.) Accordingly, reimbursement for trainees at the Fullerton Facility in Job Number 1 will be reduced by 30% to reflect the Company's \$105,560 Substantial Contribution to the cost of training.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PERFORMANCE**

The following table summarizes performance by KCW under ETP Agreements completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned	
				\$	%
ET12-0147	Fullerton	10/01/11-9/30/13	\$424,276	\$337,713 (80%)	
ET09-0410	Fullerton	2/02/09 – 2/01/11	\$357,120	\$357,120 (100%)	

### **DEVELOPMENT SERVICES**

KCW retained National Training Company (NTC) in Irvine to assist with development of this proposal for a flat fee of \$10,000.

### **ADMINISTRATIVE SERVICES**

KCW has also retained NTC to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

To Be Determined

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

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Advanced Communication Skills
- Coaching for High Performance
- Customer Service Skills
- Effective Business Presentations
- Effective Leadership
- Emotional Intelligence
- Goal Setting
- Product Knowledge
- Presentation Skills
- Proactive Listening Skills
- Technical Writing Skills
- Time and Priority Management

**COMPUTER SKILLS**

- Internet Applications
- Internet Billing/Payment Systems
- Internet Inventory Control Systems
- Kimberly-Clark Software Applications
- Production Systems
- Project Management Systems

**CONTINUOUS IMPROVEMENT**

- Advanced Accountability Training
- Asset Assignment
- Kimberly-Clark Quality Systems
- Lean Capability Targets
- Lean Deployment Plan
- Process Improvement
- Process Improvement - Train the Trainer
- Teambuilding

**HAZARDOUS MATERIALS**

- Hazard Communication
- Hazardous Materials
- Hazardous Waste
- HAZMAT Requirements
- Emergency Response Team Training

**MANUFACTURING SKILLS**

- Blade Changes
- Case Packer
- Cartoner
- Certification & Mastery Operator Program
- Change Time
- Condition Processes
- Contamination Reduction
- Distribution Processes
- Equipment Certification
- Forklift Certification
- Facilities Processes
- Job Capability Enhancement
- Maintenance Procedures
- Multifolder
- Operating Standards
- Preferred Work Methods
- Quick Change
- Reel and Re-Winder Procedures
- Stack-out
- Sustain & Operate Capability Building Program
- Verification System Training
- Wrapper
- Winder
- Workflow Standards

**PL Hours**

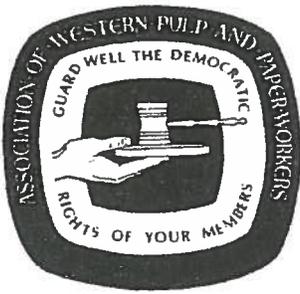
0-24

**MANUFACTURING SKILLS**

- Case Packer
- Cartoner
- Multifolder
- Wrapper
- Winder
- Production Tools/Instrument Checklist

Safety Training cannot exceed 10% of total training hours per-trainee (This cap does not apply to Hazmat)

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



## ASSOCIATION OF WESTERN PULP AND PAPER WORKERS

*A Union for Today and Tomorrow*

Affiliated with the United Brotherhood of Carpenters and Joiners of America

**Local 672**

1501 North Raymond Ave.

Phone: (714) 525-6007

May 14, 2014

Employment Training Panel  
1100 J Street  
4<sup>th</sup> Floor  
Sacramento, CA. 95814

Re: Kimberly-Clark Worldwide Employment Training Panel

This letter confirms the support that Local 672 of the Association of Western Pulp & Paper Workers (AWPPW) has given to Kimberly-Clark Corporation for the proposed Employment Training Panel (ETP) project.

The Union understands and agrees that the ETP training program will provide various types of training to members of the Union.

Sincerely,

Local 672 President