



**Training Proposal for:**

**Lumileds LLC**

**Agreement Number: ET16-0255**

**Panel Meeting of:** December 4, 2015

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

**Analyst:** L. Lai

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Santa Clara	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: 603	U.S.: 753	Worldwide: 8,500
<u>Turnover Rate:</u>	9%		
<u>Managers/Supervisors:</u> (% of total trainees)	9%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$182,160		\$0	\$0		\$182,160

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$306,360
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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. Imp., HazMat, Mgmt. Skills, Mfg. Skills	220	8 - 200	0	\$828	\$17.98
				Weighted Avg: 46			

**Minimum Wage by County:** \$16.44 for Santa Clara 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
Operator 1		40
Operator 2		35
Operator 3, Technician		55
Engineer 1		35
Engineer 2		20
Engineer 3		15
Manager		20

**INTRODUCTION**

Headquartered in San Jose, Lumileds LLC (Lumileds) develops, manufactures and distributes LEDs and automotive lighting products. The Company pioneered breakthrough illumination technologies from advanced halogen and xenon lamps to state-of-the-art LED solutions. In addition to San Jose, Lumileds has factories in Michigan, Singapore, Penang, Aachen, Shangha, and Chartres.

**PROJECT DETAILS**

Lumileds is in a highly competitive and specialized market and must provide new leading-edge product applications and respond to current customers in an efficient and cost effective manner. At this time, the Company's focus is on job retention and continued operations in California. The management team has determined that an immediate focus on cost reduction and quality improvement programs are critical.

Foreign and domestic competitors are cutting prices, at times to below cost. Lumileds has to reduce costs to maintain current customers and to gain new accounts. As more and more products are switching to LED-based products, customers are demanding lower prices and faster time to market.

In response, Lumileds must redesign its operational structure with a focus on cost reductions and efficient. The proposed training will allow employees to be more versatile, gain cross-functional knowledge, develop standardized efficient processes, reduce costs, and decrease delivery time to customers. The proposed training will also ensure successful implementation of Lean Manufacturing Principles across the Company and provide tools for employees to address critical process improvement initiatives.

### **Training Plan**

Training will be provided to employees at the San Jose facility. All training will be delivered through instructor-led Class/Lab training method.

**Business Skills (5%):** Training will be offered to Technicians, Engineers and Managers. Topics will include business planning, negotiating skills, materials management and communication skills. Training is intended to improve business strategy management and customer service interface.

**Computer Skills (10%):** Training will be offered to Technicians, Engineers and Managers. Courses include AutoCad, ERP System, and National Instruments. Employees will learn to effectively use the ERP system for scheduling, inventory control, purchasing, and delivery management. Engineers will learn to use AutoCad for design and other software applications to generate advanced data reports and tables.

**Continuous Improvement (40%):** Training will be offered to all occupations. Training will be on quality concepts and tools, cycle time reduction, Lean Manufacturing, process improvement, and root cause analysis. Training is intended to improve product quality, reduce errors, lead time and ultimately costs.

**Hazardous Materials (10%):** Training will be offered to Operators and Engineers. Topics include Hazardous Analysis, Hazwoper, and Hazardous Materials standards. The Company receives, handles, disposes, and ships hazardous materials; therefore, trainees must learn proper and safe ways to handle these materials.

**Management Skills (10%):** Training will be provided to Managers. Topics include coaching, conflict management, developing teams, leadership, and performance management. Most Managers are promoted from the technical engineering field and have not been exposed to the skills necessary to be an effective manager.

**Manufacturing Skills (25%):** Training will be offered to Operators and Technicians. Topics include machine specific training, cellular manufacturing, workmanship, and equipment maintenance. Procedures will be standardized for each piece of equipment and trainees will be cross trained to perform multiple functions and work on multiple machines in a work cell, depending on production demands.

## **Certified Safety Training**

Hazardous Waste Operations and Emergency Response Standard (HAZWOPER): This training is a series of courses specifically designed for workers who handle hazardous substances as first-responders, or clean-up as needed at a hazard disposal or emergency site. It consists of 40 hours of classroom or CBT training, for workers stationed at the hazard site; and 24 hours for workers who visit the site (e.g., engineers). Field training is also required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. Each certification requires an 8-hour annual refresher course. This coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA. Lumileds represents that trainees will not receive 40 hours unless they work full time onsite at the clean-up location.

## **Commitment to Training**

Lumileds has an annual training budget of approximately \$10,000 for the San Jose facility. Training includes new-hire orientation, ergonomics, security awareness, and compliance training. ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

### ➤ Training Infrastructure

The HR team will oversee the implementation of the training program and be responsible for project administration. Training schedules will be developed on a monthly basis to allow management to schedule training accordingly.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **DEVELOPMENT SERVICES**

Manex in San Ramon assisted with development of this proposal. [Note: Manex is eligible to receive 10% of the approved amount of funding for referrals such as this, under a marketing agreement with ETP, not to exceed \$15,000.] In this proposal, the fee will be \$15,000. This fee does not affect the approved amount of funding.

## **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**

- Budget Analysis
- Business Plans
- Customer Service
- Business Strategies
- Communication Skills
- Effective Leadership Skills
- Inventory Control
- Listening Skills
- Materials Management
- New Product Introduction
- MS Project
- Negotiation Skills
- Project Management Techniques/Training
- Team Building
- Wonderware Human Machine Interface Systems

**COMPUTER SKILLS**

- AutoCAD
- Communications Systems
- Database Management
- ERP System
- Intermediate Excel with Pivot Tables
- National Instruments Labview Core 1
- National Instruments Labview Core 2
- Waferfab CNC

**CONTINUOUS IMPROVEMENT**

- 6S Advanced Quality Concepts
- 6S Fundamentals
- 6S/5S Principles
- Basic Quality Tools
- Building Teams
- Business Improvement Principles
- Communication
- Continuous Improvement Skills
- Cost Reduction Programs
- Creative/Innovative Thinking
- Cycle-Time Management Techniques
- Cycle-Time Reduction Techniques
- Decision Making
- Design for Manufacturing Acceptability
- Design of Experiments
- Developing Action Plans

- Developing Solutions
- Effective Teams
- Empowerment Process
- Failure Mode and Effect Analysis
- High Performance Work Teams
- ISO 9001, 13485, 9100, 51000, etc.
- Kaizen Principles
- Kanban Principles
- Key Process Indicators
- Lean Manufacturing Principles
- Lumilink ERP/MRP Systems
- Problem Solving
- Process Capabilities
- Process Improvement
- Root Cause Analysis
- Self-Directed Work Teams
- Statistical Process Control
- Taguchi Methods
- Team Concepts
- Teamwork in an Empowered Workforce
- Train-the-Trainer
- Value Stream Mapping
- Variation/Process Control

### **HAZARDOUS MATERIALS**

- Hazardous Analysis Critical Control Points
- Hazwoper
- Hazardous Materials - DOT
- Hazardous Materials - IATA

### **MANAGEMENT SKILLS** (Managers Only)

- Appraisal Skills
- Coaching/Feedback
- Communication Skills
- Conflict Management
- Decision Making
- Developing Teams
- Leadership/Management Development
- Management Skills
- Management Styles
- Managing Change
- Performance Management
- Project Management
- Problem Solving
- Strategic Planning
- Supervisory Skills

**MANUFACTURING SKILLS**

- ACT 8 Maintenance Training
- Allen Bradley Programmable Logic Controllers
- ASML Maintenance Training
- ASML Stepper Design and Support:
  - Lam Alliance Training
  - Lam Concept 2 Training
- Assembly Operations
- Cellular Manufacturing
- Chiller Training
- Computer-Aided Design
- Computer-Aided Engineering
- Computer-Aided Manufacturing
- Computer Numeric Control
- Electrical Controls Training
- Electrical Troubleshooting and Prevention
- Electro Static Discharge
- Electronic Assembly Workmanship
- Equipment Operations
- Equipment/Preventive Maintenance
- Introduction to Hand Tools
- Layout
- Maintenance Mechanic Overview Level 1:
  - Veeco Maintenance and Trouble Shooting
- Maintenance Mechanic Overview Level 2
- Manufacturing Processes
- Pneumatics/Hydraulics
- Programmable Logic Controllers:
  - Studio 5000 Logix
  - Studio 5000 Logix Designer Controls
- Pump Repair and Maintenance
- Set-Up Reduction
- Stepper Motor Training
- Total Productive Manufacturing
- Total Quality Management
- Value Stream Mapping
- Variable Speed AC Drives
- Waferfab Basics

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