



**Retrainee - Job Creation
Training Proposal for:**

MBK Enterprises, Inc. dba MBK Tape Solutions

Small Business ≤ \$50,000

ET16-0134

Approval Date: July 20, 2015

ETP Regional Office: North Hollywood **Analyst:** E. Fuzesi

CONTRACTOR

- Type of Industry: Manufacturing
Services
Priority Industry: Yes No
- Number of Full-Time Employees
California: 40
Worldwide: 41
Number to be trained: 45
Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 9%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$49,920
- In-Kind Contribution: \$52,377

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 Improvement, Mfg. Skills	40	8-200	0	\$1,118	\$15.97
				Weighted Avg: 43			
2	Job Creation Initiative SB < 100 Priority Rate	Business Skills, Computer Skills, Continuous Improvement, Mfg. Skills	5	8-200	0	\$1,040	\$13.31
				Weighted Avg: 40			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Administrative Staff, Production Staff, Sales Staff, Manager/Supervisor, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #'s1 & 2: \$1.01 per hour

SUBCONTRACTORS

- Development Services: Training Funding source (TFS) in Seal Beach assisted in the development of this application for a flat fee of \$2,900.
- Administrative Services: TFS will also provide administrative services for an amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1971, MBK Enterprises, Inc. dba MBK Tape Solutions (MBK) (www.mbktape.com), located in Chatsworth (City of Los Angeles), is a custom adhesive tape, foam, film and flexible material manufacturer. Its client base includes the aerospace, construction, electrical, hospitality, graphic arts, and healthcare industries. This is MBK’s second ETP Agreement.

Designers and engineers in the adhesive and tape industry constantly develop new products such as two-part, low-odor, or high-bond adhesives in various forms for different applications. To keep up with the emerging competition, MBK recently developed several direct food contact tape products that comply with FDA safety regulations. These products will be used for manufacturing, processing and packaging food, dental, and pharmaceutical products. One of MBK’s new product lines includes tapes and components for wearable sensor devices used to diagnose and monitor diseases, fitness, and general patient wellness.

To keep up with product line expansions, MBK purchased two new machines, and is in the

process of purchasing a third one. MBK also installed a new structural work platform to expand the production area, which allows for increased inventory capacity. With new products, machines, and infrastructure improvements, MBK's goal is to double annual sales in the next five years while maintaining quality. As the Company grows, training is crucial for staff to remain effective, while reducing costs and waste.

Retrainee - Job Creation

To reach the sales and product line expansion goals stated above, MBK will require additional Administrative, Production, and Sales employees. In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Trainees will be subject to a lower post-retention wage. MBK has committed to hiring five new employees (Job Number 2). The date-of-hire for all trainees will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Business Skills (20%) – Training will be offered to all staff to increase communication, and conflict resolution skills, while Team Development will help employees receive the skills needed to excel in the dynamics of sales growth. Sales Staff will need training in Product Data, and Sales Management to properly communicate product value and services that MBK offers. With the upsurge in sales, the escalation of workload has increased the need for Development and Leadership Skills. Supervisors will learn to properly communicate with Production Staff, and address issues as they arise. Training in Organizational and Time Management will give employees the resources of effective customer relationship management (CRM) documentation and input.

Computer Skills (20%) – Training will be provided to all staff to effectively utilize aspects of the CRM and Enterprise Resource Planning software. The new phase of software training will focus on processing reports, logging and closing sales leads, and converting inquiries to orders, necessary for the increased volume of orders and customers. Continuous training for Query Report Writer is needed to create statistical reports integrated with the accounting software. AutoCAD LT 2015 was purchased this year, and MBK needs more employees to be proficient in CAD to help avoid any bottlenecks with multiple drawings. Label Matrix Barcode training will help identify inventory and warehouse layouts.

Continuous Improvement (20%) – Training will be provided to all staff to increase sales. Critical Thinking will increase all aspects of the business by working smarter and more efficiently. Quality Management Systems and Process Performance Measures are necessary for the ISO 9001:2008 standard, and for customer satisfaction.

Manufacturing Skills (30%) – Training will be offered to Production Staff to provide adequate cross-training on equipment operations, and integrate new equipment and products for efficient workflow. With the new machine additions, it is important that Operational Planning and Processes, and Best Production Methods are being utilized to use new machines to their fullest potentials. Reliability Centered Maintenance ensures precise maintenance techniques at proper intervals. With the addition of the new production mezzanine level, Warehouse Management, and Workplace Organization/5S are essential to allow for the growth in manufacturing, efficient inventory control, and Supply Chain Management. Lean Thinking Practices need to be in the forefront of all employees to make sure sales goals are achieved.

High Unemployment Area

The 45 trainees in Job Numbers 1 and 2 work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company’s location in Los Angeles qualifies for HUA status under these standards. However, MBK is not asking for a wage modification.

Part-Time to Full-Time Employment

Some of the trainees, both incumbent workers and Job Creation, will be employed on a part-time basis during the start of training. MBK is aware that retention and post-retention wage requirements cannot be satisfied until the trainees have been placed into a full-time permanent position, and progress payments cannot be invoiced until then.

Modifications

Training Hours Limitation

According to MBK, Managers and key Sales Staff will need up to 200 hours of training, given the robust sales objectives. The remaining trainees will receive an average of 40-50 hours of training across all training topics.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0380	Los Angeles	5/10/13-5/9/15	\$48,360	TBD

MBK trained 32 ETP eligible trainees; all of them have completed their 90-day retention and are currently in review. MBK’s projected earning is 100% of the funding amount.

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

8-200 Trainees may receive any of the following:

BUSINESS SKILLS

- Communication Strategies
- Conflict Resolution
- Customer Service Excellence
- Financial Analysis
- Inventory Management System
- Leadership and Team Development
- Management Skills for New Managers
- Organizational and Time Management
- Preparing for Leadership
- Product Data Management
- Sales Management
- Strategic Marketing

COMPUTER SKILLS

- AutoCAD LT v. 2015
- CRM
- ERP
- Label Matrix Barcode
- Microsoft Office
- Query Report Writer
- QuickBooks
- UPS/FEDX Supply Chain

CONTINUOUS IMPROVEMENT

- Critical Thinking
- Document Management
- Error Proofing Business Practices
- Process Performance Measures
- Quality Management Systems

MANUFACTURING SKILLS

- Best Production Methods
- Lean Thinking Practices
- Operational Planning and Processes
- Production Machinery
- Reliability Centered Maintenance (RCM)
- Supply Chain Management
- Warehouse Management
- Workplace Organization/5S

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