



DELEGATION ORDER

Training Proposal for:

NONGSHIM America, Inc.

Agreement Number: ET17-0226

Approval Date: September 19, 2016

ETP Regional Office: North Hollywood

Analyst: J. Romero

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Bernardino	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 330	U.S.: 350	Worldwide: 5,000
Turnover Rate:	0%		
Managers/Supervisors: (% of total trainees)	17%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$16,200		\$0	\$0		\$16,200

In-Kind Contribution:	100% of Total ETP Funding Required	\$25,511
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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		
	Retrainee Priority Rate	Business Skills, Computer Skills, Manufacturing Skills, OSHA 10/30	100	8-200	0	\$162	\$16.34
				Weighted Avg: 9			

Minimum Wage by County: \$15.60 for San Bernardino County in Job 1.
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
Accounting		5
Sales and Marketing		36
General Administration Staff		3
Human Resources/Labor Coordination Staff		6
Manager		3
General Manager		5
Supervisor		10
Research and Development		4
Quality Assurance		4
Production/ Logistics		24
TOTAL:		100

INTRODUCTION

NONGSHIM America, Inc. (www.NONGSHIMUSA.com), (NONGSHIM) is a food manufacturing company specializing in Korean cuisine. In 1971 NONGSHIM first began exporting instant noodles from Korea to Los Angeles, later establishing a United States branch (1994), NONGSHIM AMERICA, which became a wholly owned subsidiary. In 2005 the production plant in Rancho Cucamonga was opened, which now produces 300 million packs of instant noodles annually.

Since beginning production in the US in 1995, NONGSHIM has experienced a 13.5% average sales growth per year. This continued growth resulted in NONGSHIM's expansion of its

manufacturing capacity. In addition, the Company has become innovative with its products, introducing new flavors and new products to maintain consumer interest and gain market share. NONGSHIM's products are distributed to retail and wholesale stores all over the country and parts of Canada. Presently, NONGSHIM has established branches in Chicago, New Jersey and Canada.

In 2013, NONGSHIM underwent a major change in its corporate structure which halted most of the training planned during that period which also impacted their ETP Agreement with a low performance. The new management prioritized to give employees time to adjust to the new corporate structure and to revisions on work scopes and did very minimal training during that period to make the transition as smooth as possible for the Company. The new CEO believed that extensive training will be more effective and retained by employees once they are well adapted to the internal changes that occurred in the Company. For this proposal, NONGSHIM has created a new employee development and training plan based on the new management's goals and in accordance to employees' input on training needs based on the results of a recently conducted company-wide training-need assessment.

This is NONGSHIM's second ETP Agreement. While the first Agreement focused on Continuous Improvement, this proposal will introduce and train employees on improved processes, modernized business systems, and new equipment to upgrade employee skills and attain a high performance workplace. NONGSHIM continues to improve its processes to meet customer demands on time, while remaining cost effective. The Company needs to train staff in SAP Info System/GNFOS software system, Food Manufacturing Process, Production Operation and Procedures, Leadership Skills, Problem Solving, and Interpersonal Communication.

Training will take place at the Company's facility in Rancho Cucamonga. NONGSHIM is eligible for standard retraining as a priority industry facing Out-of-State Competition.

PROJECT DETAILS

The Company is introducing new processes and procedures. Training will focus on Business Skills and Manufacturing Skills, Production Equipment Usage, and Production Operation Procedures and Processes. The skills and best practices employees will gain will assist in improving processes, increasing customer service levels, and reducing equipment downtime.

Certified Safety Training

OSHA 10/30. This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Commitment to Training

NONGSHIM has an annual training budget of \$100,000 for mandatory training, employee orientation, basic safety training, sexual harassment prevention and first aid training. ETP funds will not displace the Company's 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

NONGSHIM is ready to start training upon project approval. Training will be provided at the Rancho Cucamonga facility by in-house staff and vendors. NONGSHIM has assigned 1 personnel in Human Resources and 2 personnel from Training Team department dedicated to scheduling and tracking the training and who will function as the point of contact with ETP.

Training Plan

The proposed training will provide employees with enhanced skills and knowledge of food handling, process improvement, and professional and technical skills development. Employees will learn to work efficiently, meet customer expectations, and respond to change.

Business Skills (40%): This training will be offered to Accounting, Sales and Marketing Staff General Administration, HR/Labor Coordination, Research and Development, Quality Assurance, Managers and Supervisors. Training will focus on Interpersonal Communication, Business Operations and Procedures, Team Building, Sales, Marketing and Negotiating Skills. Trainees will learn to resolve complaints, identify problems, and propose solutions that exceed customer expectations. Customer satisfaction will result in increased demand for NONGSHIM products.

Computer Skills (20%): This training will be offered to all occupations. Trainees will learn to navigate the SAP Info software system. Training will also include the proper usage of software screens and functions for maximum benefit.

Manufacturing Skills (30%): This training will be offered to Production, Quality Assurance, Supervisors and Logistics staff to gain skills and knowledge of the Company’s manufacturing and production processes to ensure product quality and implement best practices in product manufacturing.

OSHA 10/30 (10%): This training will be offered to Production, Quality Assurance, Research and Development and Logistics. OSHA 30 training will be provided to Managers/Supervisors to ensure a safe work environment.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0146	Rancho Cucamonga	09/06/12 – 09/05/14	\$99,900	\$16,242 (16%)

The major reorganization in 2013 impacted all aspects of the Company. Training was halted as the Company necessarily focused on adjusting to changes that were implemented company-wide, from a new management system to redefining employee work in accordance with the new corporate structure. The new management prioritized to give employees time to adjust to the transition which included adapting to revisions on work scopes and company policies which gave them very minimal opportunity to conduct training as planned during this period. The new CEO believes that training is essential to the Company but will be more effective and easily retained by employees once they are well adapted to the internal changes caused by new management in the Company.

Now that the reorganization is complete, NONGSHIM will prioritize training and will provide a structured training plan that is coordinated and supported by all department heads and the management.

DEVELOPMENT SERVICES

N/A

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

- Sales and Negotiating Techniques
- Accounting
- Marketing
- Presentation Skill
- Business Writing
- Product Knowledge
- Problem Solving
- Business Performance, Operation and Procedure
- Interpersonal Communication
- Leadership
- Motivation and Team Building
- Coaching

COMPUTER SKILLS

- Systems Application Product (SAP) / Info System (GNFOS)
- Adobe Creative Suite 4 (CS4)
- MS Office Advance

MANUFACTURING SKILLS

- Food Manufacturing Process
- Production Operation Procedures and Process
- Production Equipment Operation

OSHA 10/30

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

Safety Training cannot exceed 10% of total training hours per-trainee (This cap does not apply to OSHA 10/30)

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