



**Retrainee – Job Creation
Training Proposal for:
Norman Industrial Materials, Inc. dba
Industrial Metal Supply Company
ET15-0222**

Panel Meeting of: July 25, 2014

ETP Regional Office: North Hollywood

Analyst: M. Reeves

CONTRACTOR

- Type of Industry: Manufacturing
Services
Priority Industry: Yes No
- Number of Full-Time Employees
California: 282
Worldwide: 350
Number to be trained: 104
Owner Yes No
Mgr/Supr 14
Frontline 90
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training: Yes No
- High Unemployment Area: Yes No
- Turnover Rate: 19%
- Repeat Contractor: Yes No
- Substantial Contribution: Yes No

FUNDING

- Requested Amount: \$94,600
- In-Kind Contribution: \$118,534

OVERVIEW

Norman Industrial Materials, Inc. dba Industrial Metal Supply Company (IMS) is a full-line metal distributor and fabricator serving Southern California and Arizona. Founded in 1948 and headquartered in Sun Valley, the Company also has facilities in San Diego, Irvine, Riverside, and Phoenix. This proposal will only target employees at the Company's Sun Valley location.

IMS carries a long list of metals in various alloys, shapes, and sizes; specialty and decorative metals; as well as a large selection of metalworking tools and supplies. In addition, IMS offers steel and aluminum supply and processing solutions. The Company can cut, saw and shear, punch and notch various types of metal, and also offers laser and plasma cutting services.

IMS reports that large competing metal companies are aggressively consolidating, which puts added pressure on pricing and service levels. To remain competitive, IMS must improve its operational efficiencies and inventory turnover, while maintaining its diversified product offerings. The Company plans to add new product categories and will need to upgrade staff product knowledge in order to maximize sales.

As an ISO certified organization, IMS is looking to expand its core group of internal auditors and push more responsibility out to the shop floor. The planned training will equip more workers with the ability to identify non-conforming parts and help reduce potential waste and rework.

IMS has a number of machines that are relatively new, such as water jet and plasma cutters which will enhance service to customers. The Company has identified a need for heightened training to help production workers become more proficient in the use of this new equipment.

IMS has also recently implemented Salesforce.com Customer Relationship Management (CRM) software solutions to improve productivity and communication within its Sales department. This technology allows Sales Staff and Managers to assess vital sales information and key performance indicators in real-time.

Retrainee - Job Creation

IMS is planning to add employees to support the Company's effort to expand the number of workers for its third shift. In addition, the implementation of Salesforce.com CRM tools will improve the Company's sales closing ratio and increase overall sales volume. These changes necessitate the hiring of more Production, Sales and Administrative Staff. IMS has committed to hiring 10 additional employees (Job Number 2) to support the Company's plans to increase its business capacity.

As an incentive for companies that commit to hiring, training for newly hired employees will be reimbursed at a higher rate, and trainees may be subject to lower post-retention wages. Trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

Training Plan

Business Skills (20%) – Training will be offered to Sales and Administration Staff and Managers. This training is geared towards workers with constant interaction with customers, distributors and employees. Topics such as customer service, product knowledge, and job costing will help employees solve problems and communicate more effectively.

Computer Skills (20%) – Training will be offered to Sales and Administration Staff. Salesforce.com training will help employees maximize their reporting and tracking capabilities, as well as help staff improve their customer service and closing rate with prospective customers.

Continuous Improvement (25%) – Training will be offered to all occupations. This training is designed to enhance the Company's process control and improvement procedures throughout the organization.

Manufacturing Skills (15) – Training will be offered to Production Staff. The proposed training will help employees maintain efficient and productive workflow across 17 different types of machinery.

Productive Laboratory – Manufacturing Skills (20%)

IMS has determined that machine set-up, changeover and optimization can only be done effectively on the shop floor with machines in use for actual production purposes. Because the Company processes metal to such a wide variety of specifications, the machines have to be adjusted for nearly every job. Trainees must handle actual parts to fully understand the production process and non-conformance issues. The proposed PL training will involve the hands-on use of various cutting and twisting machines such as shears, band saws, water jet and plasma cutters, and plate saws. Approximately 36 Production Staff employees will each receive up to 16 hours of PL, and the trainer-to-trainee ratio will be 1:1.

ETP staff reviewed the tasks and competencies associated with the proposed PL training. Training will be broken into six phases: Training, Demonstration, SOP Compliance, Production, Quality Control, and Debrief. Trainers will be department supervisors, leads, and/or highly experienced production employees with specialized expertise in the equipment being used. The PL trainer's role will be to describe best practices; demonstrate a desired procedure; explain the dangers of non-conformance; show outcomes of non-conforming on finished goods; watch trainees perform the process and offer corrective actions; and then sign off on the trainees' readiness to perform at either prototype or production levels.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business performance (Job costing & department budgeting)
- Coaching, rewards, documentation, etc.
- Communication, customer service, conflict resolution
- Sales techniques & product knowledge

COMPUTER SKILLS

- Salesforce.com user options & functions

CONTINUOUS IMPROVEMENT

- ISO 9001:2008 non-conformances, error reporting procedures, corrective actions
- ISO 9001:2008 Internal Auditor
- Process control/improvement

MANUFACTURING SKILLS

- Safe operation of warehouse equipment*
- Knowledge of materials and material handling requirements

*Safety Training cannot exceed 10% of total training hours per-trainee

Productive Lab Hours

0 – 16

PL – MANUFACTURING SKILLS (Ratio 1:1)

- Metal prep & cutting
- Trimming procedures and order packaging
- Machine set-up & changeover

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