



**Training Proposal for:  
Orora North America  
Agreement Number: ET15-0286**

**Panel Meeting of:** August 22, 2014

**ETP Regional Office:** San Diego      **Analyst:** J. Davey

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee Job Creation Initiative	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Alameda, Los Angeles, Orange, San Diego, Ventura, Fresno, Napa, Placer, San Bernardino, San Joaquin, San Luis Obispo	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamsters Local 63, Teamsters District Council No. 2		
Number of Employees in:	CA: 1,262	U.S.:1,862	Worldwide: 5,534
<u>Turnover Rate:</u>	12%		
<u>Managers/Supervisors:</u> (% of total trainees)	9%		

**FUNDING DETAIL**

<b>Program Costs</b>	-	<b>(Substantial Contribution)</b>	<b>(High Earner Reduction)</b>	=	<b>Total ETP Funding</b>
\$624,448		\$0	\$0		\$624,448

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$1,329,756
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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 Impr, Mfg Skills	744	8-200	0	\$792	\$14.90
				Weighted Avg: 44			
2	Retrainee Priority Rate Job Creation Initiative	Business Skills, Computer Skills, Continuous Impr, Mfg Skills	40	8-200	0	\$880	\$14.90
				Weighted Avg: 44			

**Minimum Wage by County:** Job Number 1: Alameda County: \$16.25/hr.; Los Angeles County: \$16.04/hr.; Orange County: \$15.98/hr.; San Diego County: \$15.60/hr.; Sacramento County: \$15.59/hr.; Fresno, Monterey, Napa, Placer, San Bernardino, San Joaquin, San Luis Obispo and Ventura Counties: \$14.90/hr.

Job Number 2: Alameda County: \$13.55/hr.; Los Angeles County: \$13.37/hr.; Orange County: \$13.32/hr.; San Diego County: \$13.00/hr.; Sacramento County: \$12.99/hr.; Fresno, Monterey, Napa, Placer, San Bernardino, San Joaquin, San Luis Obispo and Ventura Counties: \$12.19/hr.

**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

Up to \$2.16 per hour may be used to meet the Post-Retention Wage for Job Number 1 only.

Wage Range by Occupation			
Occupation Titles	Wage Range Jobs 1 & 2	Estimated # of Trainees	
		Job 1	Job 2
Administration/Support Staff - 1		120	5
Administration/Support Staff - 2		162	7
Customer Service Staff		58	2
Information Technology (IT) Staff		16	1
Managers – 1		33	3
Managers – 2		36	2
Manufacturing Staff/Shipping – Receiving Staff – 1		70	8
Manufacturing Staff/Shipping – Receiving Staff – 2		100	12
Sales Staff – 1		50	N/A
Sales Staff – 2		99	N/A

## **INTRODUCTION**

Orora North America (ONA) was incorporated in 2013 after the re-organization of Amcor Packaging (USA), Inc. (Amcor). ONA is now a wholly owned subsidiary of Australian packaging manufacturer Orora Limited, headquartered in Melbourne, Australia. ONA is headquartered in Buena Park. The Company manufactures corrugated paper products, packing material, janitorial products, shipping supplies, and custom-built corrugated packaging and industrial packaging products.

ONA maintains operations throughout the United States and Mexico and sells its products to a variety of large and small industries and companies, including Hewlett Packard, Boeing, and Unisys.

## **PROJECT DETAILS**

This proposal will be ONA's second; the first Agreement was completed under Amcor. In the prior project, Amcor planned to deliver most of its training on a new ERP system. However, during the term of the agreement the ERP training was abandoned, largely due to the lack of understanding of how ERP systems change the roles and responsibilities of all job functions within the organization. Amcor was still able to conduct a great deal of Business Skills that allowed it to take advantage of ETP funding.

After the spin-off from AMCOR, ONA was able to take advantage of expanded growth opportunities. ONA will improve its operational efficiencies and generate cost savings in their national and international manufacturing operations through the implementation of a new ERP system. The new ERP system will replace a decades-old, obsolete DOS based system that is hindering the strategic plan for growth and innovation. This new ERP system is complex and, when fully implemented, will transform virtually every process from design, to ordering, to manufacturing, to financial services in a seamless and integrated system.

ONA has undergone a complete restructuring and reassessment of the entire organization. The Company has spent nearly two years carefully planning the system selection and identifying barriers to implementation, training, communications, sponsorship, and coaching. Because it has experience implementing an ERP system through the first Agreement with AMCORE, the Company has identified Change Management training as the missing element to achieving successful results. The Company realizes that ERP is not only a technical system, but a people, process and technology project requiring full participation and commitment at all levels of the organization.

### **Training Plan**

**Business Skills (20%):** Training will be provided to all occupations in the following areas: Communication, Project Management, Sales Leadership "Value Plus" customer service/consultation training and Voice of the Customer. This training will support the Company's growth strategies and provide the foundation in subjects such as communication skills, customer service and value plus that will provide important foundation skills in the ONA culture.

**Computer Skills (40%):** Training will be provided to all occupations. Training will focus on the new ERP system. However, trainees will also receive skills such as Pocket Margin Profitability Database, Salesforce.com, and CRM (Customer Relationship Management) System. These skills will enable trainees to better perform at their jobs.

**Continuous Improvement Skills (25%):** Training will be provided to all occupations. Change Management will be emphasized to help the Company establish a culture that will support innovation and growth and cope with changes during the rollout of the ERP system. New employees will receive training in leadership, problem-solving/conflict-resolution, process improvement, and supply chain management. These skills will also enable the workforce to perform more effectively in team environments, improve and implement new working processes, improve leadership capabilities, and increase product/process quality.

**Manufacturing Skills (15%):** Training will be provided to Manufacturing Staff and respective Managers in topics related to Manufactured Packaging Products (MPP). Training will enable staff to understand manufacturing requirements, eliminate errors, and perform more effectively in the manufacturing environment.

### **Retrainee - Job Creation**

Because the ERP system implementation will create stresses on functional and technical employees, ONA is hiring 40 additional staff to support the implementation, over this multi-year project. ONA intends to absorb all employees back into the operational areas when the project eventually winds down.

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. To be eligible for reimbursement, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

### **Commitment to Training**

ONA represents that ETP funds will not displace the existing financial commitment to training. The Company's current training budget is \$310,000 for ongoing training that includes basic job skills, new employee orientation, anti-harassment/diversity, introductory computer skills, ethics, performance management skills, and basic safety skills. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### **Training Infrastructure**

ONA has restructured its management team, including a Manager of Talent Development whose job is to determine the Company's training needs and ensure that the learning structure can support ongoing employee development. The Company also hired a new Chief Information Officer (CIO) to manage the rollout and implement training activities surrounding the rollout. Two additional internal staff with ETP program experience will be working with California Manufacturing Technology Consulting to ensure proper and timely administration.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by ONA under an ETP Agreement that was completed within the last five years when it was still part of Amcor:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned	
				\$	%
ET12-0166	Buena Park	11/21/2011– 11/20/2013	\$153,900	\$122,178	(79%)

**DEVELOPMENT SERVICES**

ONA retained California Manufacturing Technology Consulting (CMTC) in Torrance to assist with development of this proposal for no charge.

**ADMINISTRATIVE SERVICES**

ONA also retained CMTC 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**

- Communication Skills
- Customer Service Skills
- Next Generation Product Knowledge Skills
- Procurement Skills (Procure Plus)
- Purchasing Skills
- Sales Force Excellence/Effectiveness
- Train the Trainer for Sales Cycles
- Sales Leadership
- Value Plus Initiative
- Customer Relations Management
- Market Segmentation
- Performance Tracking
- Sales Team Management
- Tactical Marketing
- Transactional Pricing
- Voice of the Customer Survey Skills
- Project Management Skills
- Leading Effective Meetings
- Business Writing Essentials
- Managing Conflict
- Effective Presentations

#### **COMPUTER SKILLS**

- Orora North America Manufacturing Enterprise Resource Planning (ERP) System Skills – SAP
- Top Gun Inventory Control System Skills
- Orora Production Control System
- Pocket Margin Profitability Database Skills
- Salesforce.com Customer Relationship Management (CRM) System Skills
- Orora Distribution System Skills
- Microsoft Office – Intermediate/Advanced

#### **MANUFACTURING SKILLS**

- Manufactured Packaging Products (MPP) Quality Processes
- Greenland Product Manufacturing
- Research and Development/Product Design

**CONTINUOUS IMPROVEMENT**

- Lean Operations Skills
- Executives Change Management
- Change Management Skills
- Leadership Skills
- Problem Solving/Conflict Resolution Skills
- Process Improvement Skills
- Quality Assurance Skills
- Sustainability Skills
- Teambuilding Skills
- Time Management Skills
- Supply Chain Management

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



# TEAMSTERS LOCAL UNION No. 63

RANDY CAMMACK  
SECRETARY-TREASURER

KEN HAARALA  
PRESIDENT

Freight, Parcel,  
Bakery, Dairy,  
Meat, Poultry  
and Factory  
Workers in the  
Los Angeles  
Metropolitan  
Area.

General Truck  
Drivers,  
Warehousemen,  
and Helpers in  
Los Angeles,  
San Bernardino,  
Riverside  
Counties,  
California.

Agricultural and  
Related Product  
Workers in the  
California  
Counties of San  
Diego, Imperial,  
Orange,  
Alameda,  
Los Angeles,  
San Bernardino,  
Ventura, Santa  
Barbara, Kern,  
San Luis  
Obispo, Tulare,  
Kings,  
Monterey, San  
Benito, Fresno  
and Merced.

927 Village Oaks  
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.....  
379 W. Valley  
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(909) 877-2452

June 30, 2014

Employment Training Panel  
San Diego Field Office  
5353 Mission Center Road  
San Diego, CA 92108-1350

Re: Application to Employment Training Panel for Orora North America

Dear Ms. Torres:

Teamsters Local 63 represents employees at Orora North America's manufacturing operation in Southern California. Our union supports the training of the workforce as it improves upon the skills of the workers we represent. Therefore, Teamsters Local 63 supports Orora North America's application for funding from the Employment Training Panel.

Best regards,

Carlos Barnett  
Business Representative  
Teamsters Local 63

CB/ls



# TEAMSTERS DISTRICT COUNCIL 2

Graphic Communications Conference-International Brotherhood of Teamsters

Affiliated Local Unions 388M, 747M, 28N, 541S, 543M, 625S

## Main Business Office

710 E. Commonwealth Avenue, Fullerton, CA 92831-3842

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## Oregon/Washington/Idaho

2233 N. Lombard, Portland, OR 97217-5737

(503) 285-0529 Fax (503) 283-4801 (800) 333-4388

June 20, 2014

Employment Training Panel  
San Diego Field Office  
5353 Mission Center Road  
San Diego, CA 92108-1350

Re: Application to Employment Training Panel for Orora North America

Dear Ms. Torres:

The Teamsters District Council 2 Local 388M represents employees at Orora North America's manufacturing operation in Southern and Northern California. Our union supports the training of the workforce as it improves upon the skills of the workers we represent. Therefore, Teamsters District Council 2 Local 388M supports Orora North America's application for funding from the Employment Training Panel.

Best regards,

Tony Correll  
Senior Executive Representative

TC:sc

