



**Retrainee - Job Creation  
Training Proposal for:  
Precision Swiss Products, Inc.**

**Small Business ≤ \$50,000**

**ET15-0336**

**Approval Date:** 11/13/14

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

**Analyst:** A. Nastari

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 61
  - Worldwide: 61
  - Number to be trained: 46
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 8%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$47,840
- In-Kind Contribution: \$26,000

**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 SB <100	Business Skills, Computer Skills, Continuous Improvement, HazMat, Manufacturing Skills	43	8 - 60	0	\$1,040	\$16.25
				Weighted Avg: 40			
2	Retainee Job Creation Priority Rate SB<100	Business Skills, Computer Skills, Continuous Improvement, HazMat, Manufacturing Skills	3	8 - 60	0	\$1,040	\$13.55
				Weighted Avg: 40			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Alameda
- Occupations to be Trained: Assembly Staff, Finishers, Front Office Staff, Machinists, Operations Staff, Quality Inspectors, Supervisors
- Union Representation:  Yes  
 No
- Health Benefits: Job #'s 1 & 2: \$1.60 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: N/A

**OVERVIEW**

Founded in 1976, Precision Swiss Products (PSP), specializes in high-precision manufacturing of miniature and micro-machined parts and assemblies for the Aerospace, Medical, and Energy industries. PSP's engineers design products to customers' specifications which are produced using its state-of-the-art manufacturing equipment. PSP is a supplier of original equipment manufacturers (OEM) Fortune 500 companies. The Company designs and manufactures Aerospace parts used in aircraft fuel systems, tray tables, and braking gear assemblies. The Medical Device parts are used in cochlear implants, dentistry surgery, endoscopy and soft tissue fasteners.

This is PSP's second ETP Proposal since 2011. During the previous Agreement, much of its curriculum focused on development of nano and solar products. From design and manufacturing processes to customer service skills, these were new areas for PSP requiring the use of new technologies. ETP funds also assisted PSP with training its workforce in ISO and AS standards required to meet manufacturing and aerospace compliance. In this proposal, a portion of PSP's curriculum will address updated standards, which require process changes of the Company's Quality Management System to meet new requirements.

In the previous Agreement, the Company also began its move to paperless manufacturing and was successful in establishing internal processes. However, the project was deferred due to a shortage of capital preventing the Company from purchasing electronic tablets required to implement paperless manufacturing company-wide.

In this proposal a portion of the training will allow PSP to continue its paperless goal by providing training in the use of tablets, scanners, bar codes, touch screen technology, and integrated software systems. It will also include new equipment operation, certifications for AS 9100 in Aerospace and ISO 13485 in Medical Device processes, and business skills necessary for the sales and marketing of PSP's new products.

### **Job Creation**

In this proposal, more emphasis will be on training of new machines/equipment, software and audit compliance. The Company is now in a growth mode, as evidenced by a 34.5% increase in revenues over the last eight months compared to the same period in 2013. The growth results from PSP's existing clients ordering newer and higher quantities of parts, and the acquisition of four new large local customers. To maintain competitiveness, provide higher quality manufacturing, and expand capabilities, PSP acquired the following equipment within the past six months:

- 1 – STAR CNC automatic type Lathe
- 2 – Haas Milling machines
- 1 – Hwacheon Lathe
- 1 – Matsura Milling machine
- Electronic Tablets for Paperless Manufacturing

Within the upcoming year, PSP will invest in the following tools to improve efficiencies:

- Machine Program tracking software
- MasterCam Software to improve machine programming capabilities

As a result of acquiring a contract with a new large aerospace customer for the manufacturing and assembly of tray tables, PSP recently established an assembly department. PSP will now offer this value added service to its existing client base.

PSP needs to hire three workers in the occupations of Finishers to bring out-sourced process in-house, update its document control and ERP software programs, and improve its processes. PSP must establish a cross-trained workforce to prevent delayed shipments when key occupations are not available.

### **Training Plan**

PSP is certified under AS 9100 in Aerospace and ISO 13485 in Medical Devices, which requires PSP undergoes annual regulatory audits to maintain its certification. Additionally, during the

past six months, PSP's customers and potential customers conducted audits against these same stringent standards requiring evidence that the manufacturing staff be properly trained and have the skills to produce high quality parts on a repeatable manufacturing process basis to remain a qualified approved supplier.

In order to maintain its certifications and meet the demand, PSP must continuously ensure its processes are updated per certification requirements and then train new workers and retrain existing staff to ensure that processes are implemented and followed according to current ISO standards. Therefore, continuous improvement and manufacturing skills training is required for its manufacturing and support staff. Cross-training in all areas is required for a flexible workforce.

PSP will deliver training that will transition the Company into a fully computer-aided, paperless, manufacturing environment by using electronic tablets, scanners, bar codes, touch screen technology, and integrated software systems. These changes will impact many of PSP employees including sales, engineering, programming, estimating, accounting, manufacturing, scheduling, quality inspection, and shipping.

**Business Skills:** Training will be offered to Front Office Staff in PSP's Accounting and Payroll processes and systems. The training is required to improve the processes and develop financial strategies to analyze the financial return of different options relating to PSP's business decisions. Training in Customer Service, Sales and Marketing is essential in communicating with clients regarding PSP's products, customization, and turn-out time. Supervisors will receive training in Project Management to improve inventory control processes.

**Computer Skills:** Training will be offered to Assembly Staff, Finishers, Machinists, Operations Staff, Quality Inspectors and Supervisors in skills necessary to provide critical updates to PSP's ERP system to properly record job flow, job costs and data for future quotes and job processes. Front Office Staff's training will be specific to improving accessibility to data required for business analysis. Training in an updated version of MS Office Suite (Word, Excel, Outlook, PowerPoint) will be offered to Quality Inspectors, Front Office Staff, and Operations Staff.

All staff will receive training in the use of Electronic tablets for the implementation of PSP's manufacturing workflow tracking processes as required by Paperless Manufacturing. Training in the Company's Machine Program tracking software will be offered to Machinist, Operations Staff, Quality Inspectors, and Finishers. Machinists will receive training in MasterCam software which will improve programming capabilities.

**Manufacturing Skills:** Training in CNC Programming, Machine Operations and Maintenance will be provided to Machinists, Operations Staff, Quality Inspectors and Supervisors. Assembly Staff and Finishers will be cross-trained in operation processes in order for PSP to develop its flexible workforce.

**Continuous Improvement:** Training in Quality Management will be provided to Quality Inspectors so they can identify defective parts early in the manufacturing process. The remaining staff will receive training in Process Improvement to ensure root causes of any non-conformances are identified in order to develop corrective action plans to either change or improve a process and if needed retrain staff. They will also ensure best practices are shared across all departments and PSP's clients. All occupations will receive training in updated AS 9100 and ISO 13485 processes, which also requires that improvements are documented to ensure successful outcomes are continual. Supervisors require this training to ensure staff is involved in problem solving meetings ensuring all disciplines are represented and contributing to resolving the root cause of the issues.

**Hazardous Materials:** Training will be provided to Assembly Staff, Finishers, Machinists, Operations Staff, Quality Inspectors and Supervisors to ensure they have the skills necessary on the procedures and processes required for the handling, storage and disposal of hazardous materials.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET09-0489	Milpitas	2/27/2009 – 2/26/2011	\$74,880	\$59,116 (79%)

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

8 – 60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Customer Service
- + Sales and Marketing
- + Accounting/ Payroll Systems
- + Financial Strategies
- + Inventory Control
- + Time and Task Management
- + Conflict Resolution
- + Communication Skills
- + Project Management

**COMPUTER SKILLS**

- + E2 Shop Software (ERP)
- + “Traveler” - Paperless Manufacturing Process
- + Document Control and Processing
- + Outlook 360
- + Quality Management System

**CONTINUOUS IMPROVEMENT**

- + Process Improvement
- + Quality Management Processes
- + ISO 13485
- + AS 9100
- + Managing Change
- + Listening and Communicating with Workers
- + Managing Effective Teams

**HAZARDOUS MATERIALS**

- + Proper handling of all chemicals used/ stored in manufacturing process

**MANUFACTURING SKILLS**

- + CNC machine operations:
  - o Drills/ Tooling
  - o Lathes
  - o Milling
  - o Screw Machines
- + CNC Programming
- + Assembly Processes and Documentation

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.
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