



**Training Proposal for:  
Santec, Inc.**

**Small Business**

**ET16-0445**

**Approval Date:** April 29, 2016

**ETP Regional Office:** North Hollywood      **Analyst:** J. Romero

**CONTRACTOR**

- Type of Industry: Manufacturing
- Number of Full-Time Employees
  - California: 50
  - Worldwide: 50
  - Number to be trained: 40
- Priority Industry:  Yes  No
- Owner  Yes  No
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 12%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$49,920
- In-Kind Contribution: \$38,400

**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	Computer Skills, Continuous Improvement	40	8-60	0	\$1,248	\$16.48
				Weighted Avg: 48			

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Administration, Manufacturing Staff, Customer Service, Designer, Manager
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.50 per hour

**SUBCONTRACTORS**

- Development Services: California Manufacturing Technology Consulting (CMTC) in Torrance assisted in the development of this ETP proposal at no cost.
- Administrative Services: CMTC will provide administration services for an amount not to exceed 13% of payment earned.
- Training Vendors: CMTC will provide training on Computer Skills and Continuous Improvement.

**OVERVIEW**

Santec, Inc. (Santec) ([www.santecfaucet.com](http://www.santecfaucet.com)) is a manufacturer of high-end kitchen and bath fixtures distributed to commercial and residential contractors and designers. The Company operates from its facility in Torrance, and is dedicated to creating innovative products that meet the highest standards of quality, design and functionality.

Santec needs to remain competitive in an industry that has moved a large amount of manufacturing to other countries. The Company must also find ways to be more competitive and meet customer expectations to reduce costs while maintaining quality.

Santec is implementing a new Enterprise Resource Planning (ERP) system and will train its employees on LEAN manufacturing. This training will address current inefficiencies within the Company's processes, increasing production while maintaining quality and reducing waste.

## **Training Plan**

The implementation of Santec's new ERP will impact all of the Company's operating and manufacturing processes. Santec employees will become competent in operating and navigating the new system to maximize its capabilities. In addition, employees will receive training in Continuous Improvement so they can easily adopt and integrate these principles.

Training will be provided by qualified vendors and in-house trainers. Santec is ready to start training upon approval of this proposal. The Company has assigned a number of staff dedicated to scheduling and tracking the training, and act as the point of contact between Santec and ETP. In addition, Santec has engaged the services of a third-party administrator for the administration of the ETP project.

**Computer Skills:** This training will be offered to all occupations. Workers will receive training in the new ERP system, specific to their job duties, to ensure they are able to utilize the new system tools, improve efficiencies, and help the Company maintain control of inventory, costs and quality.

**Continuous Improvement** This training will be offered to all occupations, but will focus on Managers and Manufacturing Staff. Trainees will participate in continuous improvement training to identify opportunities to reduce costs, improve proficiencies, increase speed-to-market and meet customer needs

## **RECOMMENDATION**

Staff recommends approval of this proposal.

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

8 – 60

Trainees may receive any of the following:

**COMPUTER SKILLS**

- ERP – Chart of Accounts
- ERP – Customer, Vendor, Parts
- ERP – Data Cleaning and Set-Up
- ERP – Purchasing,
- ERP – Accounts Receivable, Accounts Payable
- ERP – Testing – Mock Testing
- ERP – Bill of Materials/Routing
- ERP – Visual Business Intelligence
- ERP – Custom Receipts
- ERP – Warehouse Management System (WMS) Training

**CONTINUOUS IMPROVEMENT**

- Lean 101
- 5S
- Value Stream Mapping (VSM) – Process Mapping
- Kaizen

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