



Training Proposal for:
Sysco San Francisco, Inc.
Agreement Number: ET15-0253

Panel Meeting of: July 25, 2014

ETP Regional Office: San Francisco Bay Area

Analyst: A. Nastari

PROJECT PROFILE

Contract Attributes:	Retrainee SET Job Creation Initiative	Industry Sector(s):	Wholesale Trade Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Alameda	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamsters Local 853		
Number of Employees in:	CA: 610	U.S.: 45,000	Worldwide: 46,300
<u>Turnover Rate:</u>	9%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$264,000		\$0	\$0		\$264,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$270,000
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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 SET	Business Skills, Computer Skills, Commercial Skills, Continuous Improvement	360	8 - 200	0	\$600	\$27.09
				Weighted Avg: 40			
2	Retrainee SET Job Creation Initiative	Business Skills, Computer Skills, Commercial Skills, Continuous Improvement, PL – Commercial Skills	30	8 - 200	0	\$1,600	\$16.10
				Weighted Avg: 80			

Minimum Wage by County: Job Number 1: \$27.09 per hour SET Statewide Average Hourly Wage; Job Number 2: \$13.55 per hour for Alameda County (Job Creation)

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 \$4.88 per hour in health benefits may be used to meet the Job Number 1 trainees' Post-Retention Wage. Additionally, some Job Number 1 Sales/Marketing Staff may also use commission sales of \$7.70 per hour to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<u>Job Number 1 SET Retrainees</u>		
Administrative Staff		15
Customer Service Staff		20
Lead		40
Marketing Associate		100
Support Staff		20
Technical Staff		20
Transportation Staff		35
Warehouse Staff		110
<u>Job Number 2 SET Retrainees - Job Creation</u>		
Administrative Staff		2
Customer Service Staff		2
Lead		2
Marketing Associate		10

Support Staff		2
Technical Staff		2
Transportation Staff		2
Warehouse Staff		8

INTRODUCTION

Sysco San Francisco, Inc. (Sysco SF) (www.Sysco.com) is a wholly-owned corporation of Sysco Corporation, located in Houston, Texas. Sysco Corporation owns several facilities in California, but this Proposal is for training at the Sysco SF facility located in Fremont.

Sysco SF warehouses, distributes, and delivers food products, beverages, equipment, and supplies in the San Francisco and adjacent areas. Sysco SF's Marketing Associates customize food offerings and services to any size restaurant, school, government facility, or organization that needs to serve food. One example is the capability to cost menu items for customers. Sysco SF's software systems provide customers with information to make decisions on products served, costs, and nutritional values. The customers' order requirements are customized to meet customers' needs.

Sysco SF is eligible for ETP funding under Special Employment Training provisions for frontline workers.

Union Support

Warehouse and Transportation Staff are represented by the International Brotherhood of Teamsters, Local No. 853. The Company has provided a letter supporting the proposed training plan.

PROJECT DETAILS

The emphasis of this training proposal is on the implementation of Sysco's company-wide business transformation project, titled "Project 212", a SAP ERP system which the company will use to move several of its business functions to the "cloud." This also includes a Sales 360 software platform which allows all customer sales activities to also take place on the cloud through the order entry processes. Customers place orders from smartphones, tablets, and/or computers, which results in a faster response time by Sysco's Marketing Associates. This project was started five years ago at the Company's headquarters and Sysco SF is now positioned to begin implementation. The new computer system will improve the Company's overall productivity, and online internal product ordering system. The new paperless, "cloud based" business model, Sales 360, changes how Marketing Associates conduct their jobs functions. As a result of the project's implementation at Sysco's other facilities there has been expansion of delivery routes and an increase in sales. With the expansion of sales, Sysco SF needs to train Marketing Associates on the efficient use of the systems' platforms.

Additionally, marketing campaigns are sent to customers digitally and via social media. These changes have given Sysco a competitive advantage in the food distribution business.

Sysco SF has also identified the need to increase operating efficiencies by building high performance work teams, which will provide faster resolutions for its customers. In the Warehousing and Transportation departments, Sysco needs to increase productivity in order to improve delivery times and reduce errors. This will be achieved through updated procedures in Best Practices, order taking, and warehouse product selection.

Retrainee - Job Creation

Under the Job Creation guidelines, Sysco is expanding its business capacity by adding new workers to existing functions, specifically Marketing Associates, to meet anticipated increase in sales. Based on its projected sales growth, Sysco SF is committed to hiring at least 30 additional frontline staff in the occupations of Administrative Staff, Customer Service Staff, Leads, Support Staff, Technical Staff, Transportation Staff, and Warehouse Staff who will participate in the ETP training under Job Number 2. Sysco's hiring projection is based on Sysco's 2013 statistics during which time it hired 54 people in the occupations of Administrative Staff (4), Customer Service Staff (2), Leads (3), Marketing Associates (15), Support Staff (6), Technical Staff (4), transportation Staff (10), and Warehouse Staff (10).

Under the Panel's Job Creation guidelines, trainees must be hired within the three-month period prior to Panel approval or during the term of contract. Newly hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Productive Laboratory

The Panel recently adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum and with no more than 10 trainees per instructor. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

Training in PL Commercial Skills will be delivered to 30 newly hired workers in occupations of Warehouse and Transportation Staff at no more than 1:2 trainer-to-trainee ratio. Trainees will receive a maximum 20 hours per trainee. All Commercial skills will be new to the workers. A high level of proficiency in the accurate use of the equipment can only be learned while applied at the job site. Sysco SF projects trainees will require up to a maximum of 20 hours in order to become proficient. Warehouse and transportation staff requires hands-on procedures in equipment operation consisting of forklift operation, loading and unloading electric pallet jacks, scrubbers and sweepers used to clean warehouse floors in order to reduce safety risks.

Sysco SF developed the following PL training plan: Trainees will be provided with operating procedures and instruction on the equipment. Then, trainees will observe the instructor operating the equipment, Forklifts, Pallet Jacks, Sweepers, etc. Trainees will then operate the equipment under the direct supervision of the trainer who will be the production floor, observing trainees to ensure the trainee operates the equipment correctly. Trainees will also Build Customer Orders based on information provided by the customer, which will be entered into the Company's proprietary software. The instructor will then certify that the trainee is competent to operate the equipment on his own. During training the instructor will dedicate 100% of time to the trainees.

Special Employment Training

Under SET, the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

Training Plan

Business Skills (40%): This training will be provided to all occupations. Trainees will learn about Internet Marketing, Marketing Campaigns, New Product Sales Techniques, under the Sales 360 initiative. These skills will allow trainees to efficiently support and upsell to customers utilizing product essential data, resulting in an increase in sales.

Commercial Skills (30%): Training on Best Practices, Diagnosing Electrical System Problems, Repair Computer Controlled systems, and Preferred Work Methods will be provided to Support Staff, Transportation and Warehouse Staff. The skills will provide the tools to troubleshoot ensuring that equipment is operational at all times resulting in increased productivity throughout the warehouse.

Computer Skills (15%): This training will be provided to all occupations based on job functions. Sales/Marketing Associates are being given new computer skills to support their customers. The Sales 360 software allows Sales/Marketing Associates to expand business volume and increase the value of each sale. Trainees will learn how to use a Customer Relationship Management System, Smartphone Applications, Social Networks, Tablet Applications, and Contact Management Software. With this new paperless technology, staff can increase sales and speed up deliveries and provide more immediate information regarding customer orders and feedback on customer requests. The Company projects that training in the new Sales 360 process will improve delivery time and reduce delivery errors. The result will be improved customer service and increased profits.

Continuous Improvement (10%): This training will be provided to all occupations. All staff will learn Critical Thinking Skills, Engagement and Enablement Skills, and Quality Assurance Skills to give workers the skills to resolve customer issues quicker and at a lower level. Sales/Marketing Associates will be trained on Resolving Customer Problems, Sysco Quality Standards, and Team Communication.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Sysco SF retained National Training Company, Inc. (NTC) in Irvine to assist with development of this proposal for a flat fee of \$5,000.

ADMINISTRATIVE SERVICES

Sysco SF also retained NTC to perform administrative services in connection with this proposal for an amount 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:

CONTINUOUS IMPROVEMENT

- High Performance Teams
- Inspection Procedures
- Problem Solving
- Quality Assurance
- Resolving Customer Problems
- Shrinkage Reduction
- Sysco Food Safety
- Sysco Quality Standards
- Team Communication

COMPUTER SKILLS

- Exception Orders
- MS Office (Intermediate and Advanced)
- Project 212/SAP Enterprise Resource Management Skills
- Sales 360 (Customer Information Management System)
- Sales Cloud Computing
- Smartphone Applications
- Social Networking
- Sysco Desktop Applications
- Tablet Applications

BUSINESS SKILLS

- Account Penetration
- Best Business Practices
- Category Management
- DISC Customer Contact Style
- Handling Difficult Customers
- Improving Customer Contact
- Internet Marketing
- Lead Generation
- Marketing Campaigns
- Menu Management Skills
- Merchandising Skills
- Need Satisfaction Selling
- Operating Procedures
- Optimizing Sales
- Pricing for Profitability
- Product Sales Techniques
- Prospecting
- Putting the Customer First
- Sales Performance Processes

- Sales Presentations
- Targeted Marketing
- Time Management

COMMERCIAL SKILLS

- Best Practices
- Diagnosing Electrical System Problems
- Repair Computer Controlled Systems
- Preferred Work Methods
- Operating Trucks/Tractor Trailers
- Transportation Equipment

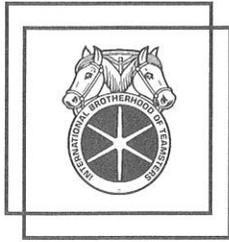
PL Hours

0- 20

COMMERCIAL SKILLS (Ratio 1:2)

- Building Customer Orders
- Operating Forklifts
- Operating Electric Pallet Jacks
- Order Selection Procedures
- Palletizing Products
- Product Handling
- Preferred Work Methods
- Scrubbers
- Sysco Labeling Systems
- Sweepers

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



TEAMSTERS LOCAL 853

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May 7, 2014

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Employment Training Panel
1100 J Street
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Sacramento, CA 95814

Re: Sysco San Francisco Inc. Employment Training Panel

This letter confirms the support that **Teamsters, Local 853** has given to Sysco San Francisco Inc. for the proposed Employment Training Panel (ETP) project.

The Union understands and agrees that the ETP training program will provide various types of training to members of the Union.

Sincerely,

Dan Varela
Business Representative