

**DELEGATION ORDER**



**Training Proposal for:  
Semiconductor Tooling Services, LLC**

**Agreement Number: ET17-0144**

**Approval Date:** July 7, 2016

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

**Analyst:** C. Hoover

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee	Industry Sector(s):	Manufacturing Technology/Other  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Santa Clara	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 82	U.S.: 1,747	Worldwide: 2,217
<u>Turnover Rate:</u>	10%		
<u>Managers/Supervisors:</u> (% of total trainees)	13%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$88,560		\$0		\$0		\$88,560

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$100,122
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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 Improvement	82	8-200	0	\$1,080	\$17.02
				Weighted Avg: 60			

**Minimum Wage by County:** \$17.02 per hour for Santa Clara County.

**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 \$2.71 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff	*	52
Administrative Staff		15
Front Line Supervisor		3
Manager		8

\* It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**INTRODUCTION**

Founded in 1996, and headquartered in San Jose, Semiconductor Tooling Services, LLC. (STS) [www.semiconducting.com](http://www.semiconducting.com) manufactures high performance elastomeric materials for the semiconductor industry. For over a decade, STS has manufactured materials and developed methods that have become industry standards in the semiconductor manufacturing processes. The Company's specialized materials and applications are tailored to individual customers' need. Customers include Applied Materials, Inc. and Lam Research Corporation.

STS plans to reduce waste and improve processes and efficiency. The Company's goal is to standardize work, improve operating costs, and generate 15 to 20% efficiency gains.

STS is facing pressure from international competition, so the current focus on training represents a major commitment by the Company to its employees unlike any other training effort it has done in the recent past. The focus is on improving the skill sets of STS's front-line employees in order to remain competitive, which will enable the Company to improve the quality of the delivered product to its customers while increasing its profitability and market share. In order to keep up with customer demand, STS's staff will train in Continuous Improvement, Business and Computer Skills. In addition, the training will occur at its San Jose headquarters.

## **PROJECT DETAILS**

STS's training goals are to increase operational efficiencies and expand the Company's product offerings through process improvement, new technology and continued innovation. Supervisors and Managers must be prepared to lead employees through these changes.

ETP-funded training will help STS meet its training goals.

A formal needs assessment was conducted. The following training will be delivered in Class/Lab, as outlined below:

### **Training Plan**

**Business Skills (20%):** This training will be offered to Administrative Staff and Managers. Courses include Leadership Principles, Effective Leadership and Management Skills, Team Building, High Potential Coaching, Change Management, Communication and Conflict Management, Crucial Conversations, Motivation and Customer Service Excellence.

**Continuous Improvement (75%):** This training will be offered to all of STS's employees in course such as: Introduction to Lean, Leadership in Lean Six Sigma Value Chain, Lean Sigma Process Improvement, Lean Skills Development, Standard Work, Task Management, Value Stream Mapping, Visual Control, Root Cause Analysis, Kaizen Process and Problem Solving.

**Computer Skills (5%):** This training will be offered to Administrative Staff and Managers. Courses include Excel (Intermediate and Advanced), PowerPoint (Intermediate), and Minitab (Data Analysis Software).

### **Commitment to Training**

ETP funds will not displace the Company's existing financial commitment to training. STS spends \$15,000 on training annually per facility in CA. Current training includes orientation, safety training (on-going and specific safety training based on position/department or equipment), and job specific training (processes, tools/equipment, systems, etc...). Safety and orientation trainings are mandatory. Job-specific training is delivered on an as-needed basis. All occupations/departments receive class/lab and on-the-job training.

Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

A number of STS's staff are dedicated to the administration of the project- scheduling training, enrolling trainees, tracking training hours, and meeting with ETP staff. The Human Resource (HR) Manager oversees learning activities for all of its locations. Department Directors will be accountable for tracking completion rates, supporting the HR representatives by coordinating training activities, and working with site leaders, internal Kaizen-trained Supervisors, who will be delivering the training.

After the completion of ETP-funded training, Continuous Improvement and Computer Skills training will be integrated into the Company's current training offerings.

## **Impact/Outcome**

As a result of ETP funding, STS's lean goals will cover the following areas:

- Quality goal– achieve First Time Quality goal of 100%
- Cost goals– reduce WIP inventory & reduce energy usage 10%
- Delivery goal– improve Perfect Order to 100%
- Safety goals– reduce Accident Incident Rate & reduce Average Days Lost
- Employment Involvement goal– achieve 100% Kaizen participation

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **DEVELOPMENT SERVICES**

The STS retained Abbott Consulting Group in West Hollywood to assist with development of this proposal for a flat fee of \$4,500.

## **ADMINISTRATIVE SERVICES**

N/A

## **TRAINING VENDORS**

N/A

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

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Change Management
- + Communication and Conflict Management
- + Crucial Conversations
- + Customer Service Excellence
- + Decision Making
- + Effective Leadership & Management Skills
- + Fundamental Savings Strategy
- + Group Lead Training
- + High Potential Coaching
- + Inventory Control
- + Inventory Management
- + Leadership Principles
- + Motivation
- + Performance Essentials
- + Project Managements
- + Purchasing/Procurement
- + Supply Chain
- + Team Building

**COMPUTER SKILLS**

- + Digital Technology

**CONTINUOUS IMPROVEMENT**

- + 5's
- + Introduction to Lean
- + Kaizen Process
- + Leadership in Lean
- + Lean Sigma Value Chain
- + Lean Sigma Process Improvement
- + Lean Skills Development
- + Line Design
- + Management Std Work
- + Problem Solving
- + Root Cause Analysis
- + Six Sigma
- + Standard Work
- + Task Management
- + Value Stream Mapping
- + Visual Control

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